THE CITY OF Penticton

The Corporation of the City of Penticton

2003 Annual Report

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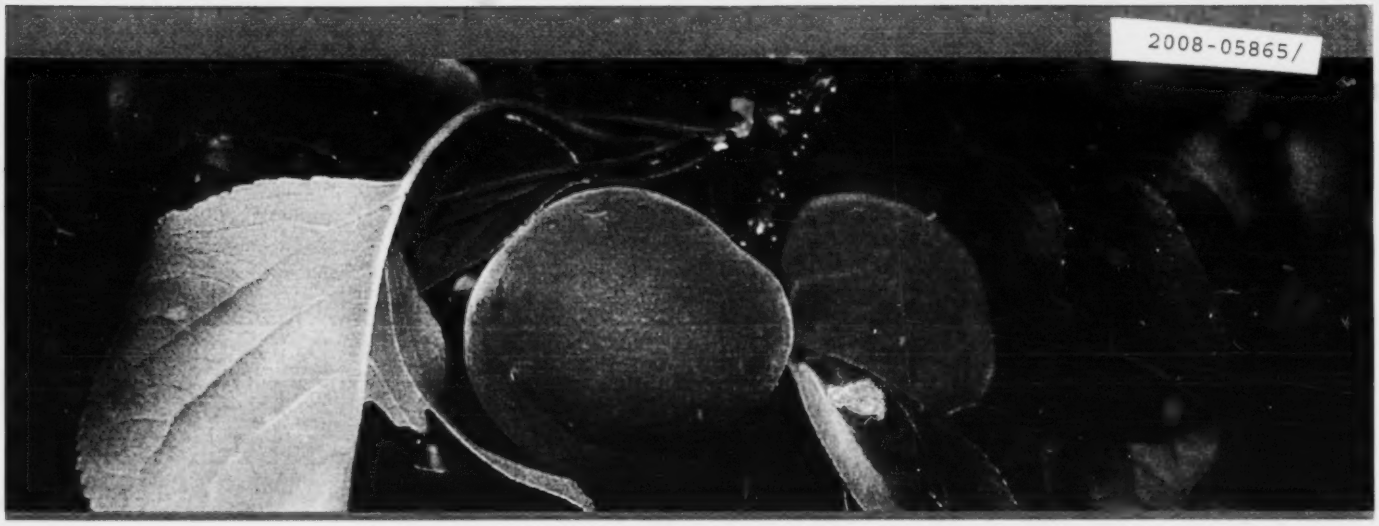

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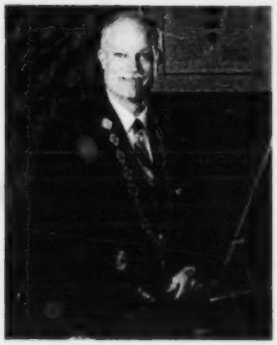
Message from the Mayor



I am very pleased to be able to provide this introduction to the City of Penticton's Annual Report for 2003. It has been my distinct honor to serve as mayor of one of the most desirable places to live in North America. The growth currently being experienced is a clear indication that people from many different areas recognize the Southern Okanagan and Penticton in particular, as a destination of choice.

Penticton is riding the edge of a burgeoning economy with the wine industry, technology and agriculture playing important roles. Key initiatives in agri-tourism, convention business and sports tourism continue to expand Penticton's reputation as an exciting place to visit. The recent arrival of a major sign company along with a second major call centre recognizes our competitive advantage in terms of regional location and a skilled work force.

The completion of a management restructuring program at City Hall has been one of the most significant leadership accomplishments in the Corporation, in many years. This has seen a major expansion in the professional capacity in the key Development Services Department, the acquisition of an Electrical Engineer to oversee our own electric utility, the enhancement of a healthy work environment where employees can now see growth opportunities within the organization and the creation of a unique Apprenticeship Program.

Sound financial management applied over the last 2 year period has seen a structural deficit brought under control, a projected tax increase reduced by .7% along with a commitment by City Council to maintain current levels of service to its citizens.

Another high point in the year was the signing of a formal protocol agreement with our neighbours, the Penticton Indian Band. This historic ceremony formalized the relationship between the 2 communities and opened the door for communication and cooperation around issues and mutually beneficial opportunities. In a climate of expanded economic growth this agreement has been heralded as a critical step towards job creation and development.

As we look towards the future the City has taken a bold step by tying the region to the 2010 Olympic dream with a proposal to create a Multi Purpose Events Centre that would open in time for the City's centennial in 2008 and provide training opportunities for National and International teams preparing for 2010. This project will continue to unfold over the next year and is capturing the imagination of our citizens young and old.

I am extremely proud to be a citizen of the great city of Penticton. Through the continued hard work of our City Council, employees and volunteers the future continues to confirm the Salish Indian translation of Pen-tk-tn "a place to stay forever".

David Perry

Mayor and City Council's Bios

Mayor
David Perry

David is currently serving his first term as Mayor of the City of Penticton. First elected to City Council in 1990, he served 12 consecutive years in the councillors' chair. With 28 years teaching experience, an undergraduate degree in Urban Geography as well as a graduate degree in Law related Education, David brings a wealth of experience to the Mayor's chair.

While on City Council, David chaired the Parks, Recreation and Culture committee for several terms and through that body initiated a strong community focus on Sports Tourism. The renovation of Penticton's Memorial Arena was steered through this committee and this heritage facility was featured as a showpiece nation wide during the intermission of an NHL game. David is committed to building on this direction as Mayor, with Ironman training facilities, a softball 4 plex and an Indoor Soccer area on the horizon.

Being a career educator David is interested in youth and youth activities. This sees him driving the process behind the City's second skateboard park, initiating a second 'Banquet of Champions' to celebrate young athletes and to develop facilities and programs in the City that provide a range of opportunity for youth development.

Councillor
Dan Ashton

Summerland Secondary School gave Dan a start towards a lifelong quest of personal development, this was further accented by work on a degree at Eastern Washington University. However, Dan has always fortified formal education with a healthy dose of common sense.

The family retail business, has given Dan a wider prospective of smaller town business viability and the importance of supporting and giving back to the community.

Currently in his third term as a City of Penticton Councillor, Dan also holds the position of Chair of the Regional District of Okanagan-Similkameen.

Councillor
Gus Boersma

Gus is now serving his second term as member of Penticton City Council and has many years in the field of leadership. Gus has also served a term as General Manager for the Penticton Chamber of Commerce.

Wherever he has lived, Gus has been an active participant in his community. After over 25 years of participating as a volunteer with the BC Chamber of Commerce, Gus served as Provincial President in 1985/86 and has been awarded a lifetime Governor designation. Gus was also honored to be the first ever elected British Columbia Senator at the University of Lethbridge 1981-87.

Councillor
Gary Leaman

Gary came to in Penticton in 1987 as the General Manager at Cherry Lane Shopping Centre, where he has overseen significant growth and a great number of changes. He graduated from BCIT with an Honours Technical Diploma in Business Administration Hotels, and is a former member of the BCIT Senate. In 1986, Gary entered the Shopping Centre industry as Operations Manager for Cambridge Shopping Centres. He received his professional accreditation as a Certified Shopping Centre Manager (CSM) in 1999.

Gary also served on the Executive of the Penticton Chamber of Commerce for five years, including a term as President in 1992. He has also been locally involved in Economic Development, the Visitor's and Convention Bureau and was the founding Chairman of Shop Penticton.

Councillor
Rory McIvor

Rory has been a resident of Penticton since 1972. He is a graduate of the University of Saskatchewan. Rory is not a stranger to community affairs. He is the retired chairman of the Penticton School District and serves on the board of the South Okanagan Community Futures Development Corporation.

Rory is the past chairman of the Okanagan Summer School of the Arts and the Community Foundation of the South Okanagan and is a past member of the Board of Governors, Okanagan University College.

Rory has twice, in 1990 and 1999, been Penticton's Man of the Year. He is also the recipient of the Canada 125 medal for community service.

Councillor
Mary Storry

Mary was transferred by Canadian Regional Airlines to Penticton in 1996, to become the company's operations manager and continued in that capacity until the company merged with Air Canada. Her work with the Airlines allowed for assisting many community groups and to become familiar with their mandates.

Mary has been a Director of the Penticton Economic Development Commission since 1997 and is a member of the Penticton Convention Centre and the Okanagan University College Advisory Committees.

This is Mary's first term on Penticton City Council.

Councillor
John Vassilaki

John is currently serving his first term on Penticton's City Council. John graduated from Pen High in 1966 and furthered his education in the computer field at The Technical Institute in Vancouver.

John has had an extensive business career for the past 35 years in the Service & Hospitality industry. He has served on many committees and completed many projects for the improvement of Penticton over the years.

John's main concern is the development of the Downtown and Industrial core for more job creation.

Message from the Administrator

The staff and I are proud to have assisted City Council in making civic government more affordable and responsive to community needs in 2003.

Through a more business like approach to service and the day to day operation of city departments we have been able to achieve operational efficiencies and improve service for the residents and visitors to Penticton.

City Council has embarked on many new and exciting initiatives in 2003 and the following highlight just a few of them:

ADMINISTRATION

Reorganization

The reorganization of the City's Management Structure was completed. The new structure consists of the creation of three Director (general manager) positions. They are Director of Corporate Services (Jack Kler), Director of Parks Recreation and Culture (Barry Reid), and Director of Development and Engineering Services (Mitch Moroziuk). This new structure was required to keep pace with the unprecedented growth and changing community/ corporate needs of the city. This new structure is now able to respond quickly to council demands, provide leadership on an organization wide basis, resulted in renewed accountability and flexibility in the delivery of city services to the public, coordination of all city activities, reduction in the duplication of work, and created succession opportunities for our staff. With the organizational changes we have modified the culture of the City and placed ourselves in a position to retain and recruit skilled and motivated employees.

Protocol Agreement with the Penticton Indian Band

City Council and the Penticton Indian Band participated in a Community to Community Forum and agreed to a framework for Regional Cooperation. This protocol will create common goals to ensure that the City and the PIB each benefit from available social and sustainable, environmentally responsible economic opportunities.

Federal and Provincial Government Cooperation

City Council successfully lobbied the Federal Electoral Commission to reverse a electoral boundary proposal and advanced a proposal that the Skaha Bluffs climbing area be designated a provincial Park.

CORPORATE SERVICES

Financial Statements

The City recorded revenues of $50.15 million and expenditures of $50.52 million which resulted in a decrease of $376,000 in our accumulated surpluses and reserves. This is a saving over the figure projected in the Financial plan.

Financial Management System

City Council approved the implementation of a new financial management system. This new system will provide operational and reporting efficiencies.

Fibre System

The City Fibre system is complete and operational. A new Cisco based phone system has been introduced. Staff will be researching business opportunities.

Web Site

The City was awarded the Union of British Columbia Association's prestige "Best Local Government Web Site" award for the second year in a row.

PARKS RECREATION AND CULTURE SERVICES

Parkland Acquisition

The City completed the land acquisitions/leases for the Penticton Creek walk way project. The first of three properties were purchased for the Munson Mountain Park project. Negotiations commenced for the purchase of land necessary to complete the Skaha Park Development Plan.

Penticton Trade and Convention Centre

Phase three upgrading was completed. The remaining contract to upgrade the north patio was let.

South Okanagan Event and Cultural Center

City Council endorsed the 2010 Olympics bid for Whistler and initiated a feasibility Study for the establishment of a South Okanagan Event and Cultural Center at Queens Park.

Wine Center

City Council supported a proposal to relocate the Wine and Visitors Center from Westminster Avenue to the corner of Power Street and Eckhardt Avenue and authorized submission of grant applications to facilitate the same.

Parkland Development

City Council approved planning and design phases for the Okanagan Lake Park, Youth Activity Park, Marina Way Park and Riverside Park.

DEVELOPMENT AND ENGINEERING SERVICES

Integrated Planning Model

An integrated planning model for the Development and Services Department has now been implemented. The new model will enhance the efficiency of the department by providing a single point of contact for development applications.

Comprehensive Planning Framework

Over the past year, City Council has initiated a comprehensive planning framework. This framework includes an Agricultural Plan, a Comprehensive Development Plan, a North East Sector Plan, and a Water and Sewer Plan. These Plans will identify growth areas in the north-east sector of the city. Upon completion of these plans the city will be holding extensive public consultation opportunities.

Major Capital projects

City staff proceeded with the design and construction of a number of major capital projects, including; Marina Way, Industrial Avenue, and Sewer and Water upgrades on Main Street, Green Avenue and Lee Avenue.

We look forward to the challenges which lie ahead and appreciate the opportunity to reporting further progress to you next year.

Leo den Boer
Chief Administrative Officer

Council Goals & Objectives

Community Vision/Growth

- Comprehensive Development Plan
- Development Cost Charges
- Downtown Improvements
- North East Sector Plan
- Penticton Indian Band
- Quality Design

Financing Alternatives

- Alternative Revenue Strategy
- Electrical Power

Infrastructure Water

- Conservation
- Naramata Road Area
- Valleyview Road Area
- Water Treatment Plant Capacity and Upgrade

Protective Services

- Community Policing
- Emergency/Protective Plan

Queen's Park Development

- South Okanagan Olympic Events Centre
- Wine/Visitor Information Centre

Recreational Development

- Munson Mountain Park Recreation sites
- Parkland Acquisition
- Regional Cost Sharing

**Note: Goals and Objectives are listed in alphabetical order, not priority order

DIVISION/DEPARTMENT REPORTS

CORPORATE SERVICES DIVISION

Corporate Services consists of six departments: Corporate Administration, Treasury, Information Technology, Human Resources, Fire and Police (RCMP) Services.

The managers of the Departments report to the Director of Corporate Services who also serves as the Treasurer for the City.

The year 2003 was the first year under this organizational structure and a significant number of accomplishments were achieved and are summarized below by Department.

CORPORATE ADMINISTRATION DEPARTMENT

This Department focuses on the procedural and technical aspects of the Community Charter and bylaws and procedures approved by Council.

This area is responsible for the preparation, circulation, and storage of Council minutes as well as associated committee minutes and all correspondence. Other duties include functions such as land sales and purchases, exchanges, leases, restrictive covenants, right-of-way agreements and registering easements. This department also administers elections and referendums and provides legal support for staff and Council. The management structure includes a City Clerk, Administration Manager and Deputy Clerk. The City Administrator also serves as the City Clerk.

The highlights for 2003 were:

- ✓ Twenty –five Lease Agreement signed with the Penticton Golf & Country Club
- ✓ Twenty year Lease Agreement negotiated for the Marina at Skaha Lake
- ✓ Long Term Lease for the development of phase two for Loco Landing at Riverside Park
- ✓ Marina Way land sale to Lakeview Terrace Holding Ltd
- ✓ Restructured and centralized the Land Tenure portfolio, integrated with the Accounts Receivable department and initiated a comprehensive filing system
- ✓ Established a full-time Recording Secretary to prepare agenda and minutes for 16 Advisory Committees
- ✓ Initiated a 'City Page' featuring legal notices, upcoming events and other related matters

The planned goals for 2004 are:

- ➢ Streamline of Council Agenda packages and start electronic implementation
- ➢ Acquire land for recreational initiatives
- ➢ Implement City-wide document filing system

TREASURY DEPARTMENT

The Treasury Department consists of three operating departments, Accounting/Finance, Collections and Purchasing. The Accounting/Finance department administers and prepares the Five Year Financial Plan annually, establishes sound financial policies and guidelines, records and disseminates financial information on a timely basis and in accordance with generally accepted accounting principles and ensures that expenditures are in compliance with budgetary controls. The Collection department is responsible for the administration and collection of over 13,000 utility accounts that are billed on a monthly basis. Annually the City sends out tax notices for the collection of City taxes as well collection of taxes for other government agencies. The Purchasing department is discharged with the responsibility of procuring all goods and services for the City on a cost effective basis in accordance with the policy guidelines as adopted by Council. The management structure consists of Treasurer, Deputy Treasurer, Collector and Purchasing Manager.

The highlights for 2003 were:

- ✓ Implementation to new software systems (Microsoft Great Plains) – General Ledger, Inventory, Accounts Payable and Receivables and Purchasing
- ✓ Provided Financial Accounting for the Emergency Operations Centre
- ✓ Accelerated preparation of Five Year Financial Plan for 2004 approved in December, 2003
- ✓ Updated Purchasing Policies and Procedures
- ✓ Revised Water/Electric Utilities Policies and Procedures for service delivery
- ✓ Value of property tax exemption for 2003 pursuant to Community Charter Section 98(20(b) was $216,872

The planned goals for 2004 are:

- ➢ Continued implementation of new software systems such as Payroll, Project Management, Enhanced Purchasing modules
- ➢ Review of Financial Statement preparation and controls
- ➢ Conduct internal audits

INFORMATION TECHNOLOGY DEPARTMENT

The Information and Technology Department provides Computer and Telecommunication support and services to all City departments. This includes both hardware and software installation and support. As well the department maintains the City Web Site, Mapping Information and the Geographic Information System. All electronic records are backed up on a daily basis and are stored off site to ensure that in the event of a disaster we will be able to quickly recover corporate data. The staff compliment of seven is under the direction of the Information Technology Manager.

The highlights for 2003 were:

- ✓ For the 2nd year in a row Penticton received the Best Web Site Award for Municipalities under 50,000 from the Union of BC Municipalities
- ✓ Council meetings are broadcast live on the internet
- ✓ Communications infrastructure re-built using new Cisco Switching equipment and running at 1 gb
- ✓ Implemented a new Cisco IP based phone system, reduced costs while providing improved functionality
- ✓ First in Canada to have phone system integrated with Microsoft Exchange 2003, this enables users to listen to voice mail over the internet and to email as attachments
- ✓ Wireless system installed at City hall for Laptop computers and IP based phones
- ✓ Implementation of a new Firewall to secure and protect our data from internet hackers
- ✓ Use of 800onemail to provide multiple virus checkers and spam control to City internet users

The planned goals for 2004 are:

- ➢ Implementation of an internet based registration system for the Community Centre
- ➢ Enhance web Site Maintenance
- ➢ Review and implement corporate Data back-up strategy
- ➢ Implement IP based phone system at Fire Halls
- ➢ Reconfigure our Server farm
- ➢ Implement wireless technology at City Yards
- ➢ Develop a GIS strategy for the City

HUMAN RESOURCES DEPARTMENT

The Human Resources Department is responsible for all staff related matters including safety. This starts with the recruitment and selection of new staff and continues throughout the employee's career with the City. The Department provides comprehensive education and training opportunities and encourages positive mental and physical health of all employees. Specific functions performed by this department include the administration, negotiation and contract interpretation of three collective agreements, benefits administration, return to work program for employees on disability leave, workplace safety requirements and audits and counseling and advising services. Due to the sensitive nature of this department all staff are exempt employees. The staff complement of three is under the direction of the Human Resources Manager.

The highlights for 2003 were:

- ✓ Recruited a Benefits Coordinator and assumed benefits administration duties from the Payroll function
- ✓ Continued negotiations with the International Association of Fire Fighters (IAFF)
- ✓ Continuing progress on a Succession Plan to identify and train for potential promotion purposes
- ✓ Staff trained to perform safety audits
- ✓ Comprehensive Management training program implemented, will encompass all managers over three years

The planned goals for 2004 are:

- ➢ Completion of successful contract negotiations with the IAFF
- ➢ Implementation of a new Human Resources Software System
- ➢ Continued implementation of succession planning model
- ➢ Council endorsement of Human Resources Policy manual and subsequent dissemination to staff

FIRE SERVICES DEPARTMENT

The Fire Services Department provides emergency response, emergency communications (911), public education and inspection and investigation. Emergency response involves fire suppression, pre-hospital medical emergencies and all types of specialized and technical rescue. Emergency communications is the providing of comprehensive regional 911 services, emergency dispatch, automatic alarm monitoring response and municipal after hours response. Public education seeks to provide awareness to users groups from children to business of fire and safety threats and appropriate emergency response. Inspection ensures that proper equipment and procedures are in place through education, code compliance and enforcement and Investigation exists to understand the cause of an incident to avoid future recurrence. The management structure consists of the Fire Chief and a Deputy Fire Chief.

The highlights for 2003 were:

- ✓ Responded to 2,258 calls, up 4% over 2002
- ✓ Fire Prevention department completed 2,457 fire inspections, there were 1,239 code violations, up 5%
- ✓ Conducted close to 200 sessions for the public and included promotion of fire prevention week activities, fire hall tours for youth, school presentations and fire extinguisher training
- ✓ Fire Hall #1 was used as the RDOS Emergency Operations Centre and our firefighters participated in regional activity
- ✓ Began rewriting the City emergency plan
- ✓ There was only one lost injury due to a Workers Compensation Board claim

The planned goals for 2004 are:

- ➢ Completion of revisions to the Fire & Life Safety bylaw
- ➢ Completion and implementation of Penticton Emergency Response & Recovery plan
- ➢ Complete specification for new pumper truck to be delivered in 2005
- ➢ Design and implement a performance management system for fire department personnel
- ➢ Complete and implement operational guidelines
- ➢ Develop a technical rescue program including a high angle rescue team

POLICE (RCMP) SERVICES DEPARTMENT

The Policing Services are provided to the City by the RCMP. The mandate of the RCMP is to preserve the peace, uphold the law and to provide quality service in partnership with the community. In addition to the law enforcement duties our detachment has a Community Policing section and we receive Provincial funding that enables us to provide a Victim Services Program. The City provides support staff for the policing function, this includes clerical and technical staff as well as prison guards. The city does receive compensation for the detention of prisoners that are classified as non-municipal and this offsets costs incurred by the City. Furthermore the city is compensated for rural RCMP members that work out of our building. The management structure of the department consists of the Police Chief, Operations Staff Sergeant and the municipal Administration Manager.

The highlights for 2003 were:

- ✓ Establishment of a Drug Enforcement Task Force
- ✓ Community involvement in the Strategic Planning process to guide the detachment
- ✓ Conducted a public Survey Questionnaire regarding social issues affecting the downtown core
- ✓ Successful outcome of drug undercover operations

The policing priorities for 2004 are:

- ➢ Addition of two Police Officers
- ➢ Drug Enforcement
- ➢ Effective Traffic Enforcement (Bicycle safety)
- ➢ Internal Training
- ➢ Fraud Investigation (Related to Drug Enforcement)

DEVELOPMENT AND ENGINEERING SERVICES DIVISION

The Development and Engineering Services Division consist of four (4) Departments: Planning, Engineering, Building and Licensing and Public Works. These four (4) Departments provide service to the public through one (1) Director, four (4) Managers, three (3) Supervisors and sixty six (66) full time equivalents.

The Division is headed up by Mitch Moroziuk, Director of Development and Engineering Services, a professional engineer with a masters degree in business administration and twenty three (23) years of experience mostly in local government coupled with some private sector work.

The year 2003 was a significant one for the Division as a major re-organization was completed. The City of Penticton re-organized from a flat structure with Department Managers reporting directly to the City Administrator to a Division model with three Division Directors reporting to the City Administrator.

The re-organization led to:

- The creation of a new Director of Development and Engineering Services position;
- The creation of a new City Engineer position;
- The dedication of one Engineering position to private development;
- The dedication of one Engineering position to the inspection of capital works;
- The creation of one technical position in the Public Works Division;
- The creation of one administrative position in the Public Works Division;
- The creation of one Development Coordinator position in the Planning Division;
- The creation of one (1) to three (3) staff or contract positions for parking enforcement and;
- The elimination of the Assistant Supervisor level in the organization.

The changes in the organizational structure were undertaken to improve the level of customer service that could be provided to our citizens, decrease turn around time, increase the level of professionalism being provided and reduce reliance on consultants.

PLANNING DEPARTMENT

The main focus areas of the Planning Department are to provide professional advice to Council on land use planning issues and to process and be the lead Department for development applications and approvals. These land use planning functions are both short and long term and typically involve items such as:

Short term	Long term
Official Community Plan Amendments.	Redrafting of the Official Community Plan
Zoning and Rezoning	Redrafting of the Zoning Bylaw
Development Permits	Sector land use plans
Development Variance Permits	Comprehensive Development Plans
Subdivision.	Development Cost Charges.

The Planning Department carries out this responsibility through the City Planner managing a permanent staff of four (4) direct reports plus one term Contract Planner. The Planning Department is headed by the City Planner, Donna Butler, a Member of the Canadian Institute of Planners with a degree in Arts specializing in Urban Geography. Donna has twenty five (25) years of experience split between local government and the private sector.

The key achievements for the Planning Department for 2003 were:

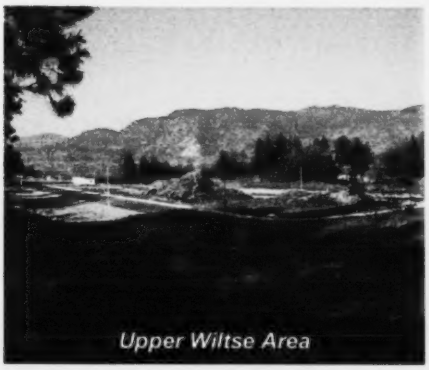
- ✓ Implemented the Okanagan Lake Waterfront Plan, included: Execution of a Development Works Agreement for cost sharing between owners and the City for the Marina Way Signature project; Renamed the north portion of Front Street to Marina Way; Relocated Marina Way right of way to the north increasing the amount of developable land and; Rezoned and issued a Development Permit for the Lakeview Terraces project at 250 Marina Way.

250 Marina Way

and; The approval of the Lakeside Resort parkade. These projects combined with the Marina Way development will bring a new upscale focus to the Okanagan Lake, north Downtown area.

- ✓ Approved key developments in the north end of the City of Penticton which, included: A Development Permit for the first phase of the 100 Lakeshore Drive high rise condominium project

100 Lakeshore Drive



Upper Wiltse Area

- ✓ These developments also pioneered the protection of the environmentally sensitive areas identified in the Official Community Plan.

- ✓ Approved new suburban development in the Upper Pineview / Wiltse areas including new single family lots and bare land strata projects.

Upper Pineview Area

- ✓ Commenced key planning initiatives: Agriculture Plan, North East Sector Plan, Comprehensive Development Plan and worked on a Penticton Indian Band Sanitary Sewer Servicing agreement.

- ✓ Processed a significant number of development applications including:
  - o 1 Pre-Development application;
  - o 1 ALR; 44 Development Permits;
  - o 55 Re-zonings;
  - o 45 Subdivisions;
  - o 5 Strata Developments and;
  - o 26 Development Variance Permits.

- ✓ The volume of Applications handled by the Planning Department has increased by 29% from 2002 and by 99% from 2001. Figure 1 illustrates the type and volume of permits issued for the period 1994 – 2003.

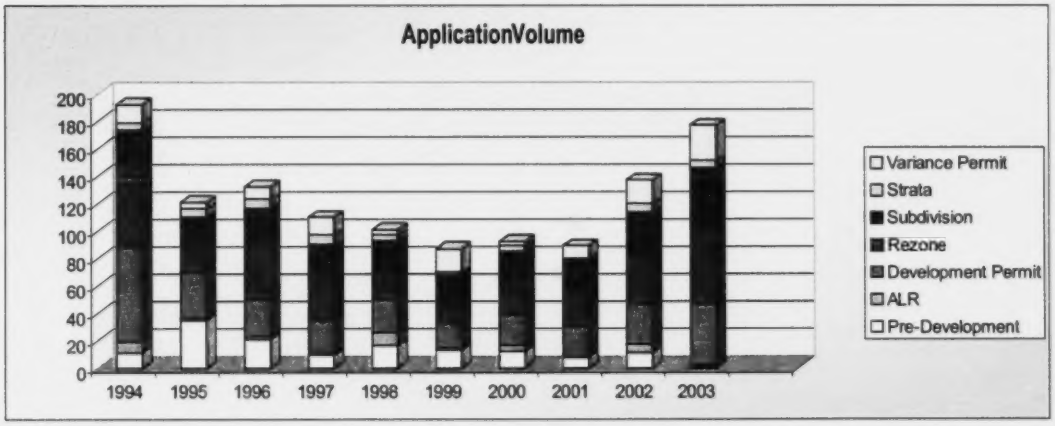


Figure 1 - Planning Department Application Volume

✓ In 2002 the Planning Department started tracking the time to process applications, see Figure 2. The time to process has dropped significantly 3% to 58 % for all classes of application except for ALR applications which increased in time by 49 %. The Planning Department is applauded for addressing the significant increase in permits in less time with the same staff.

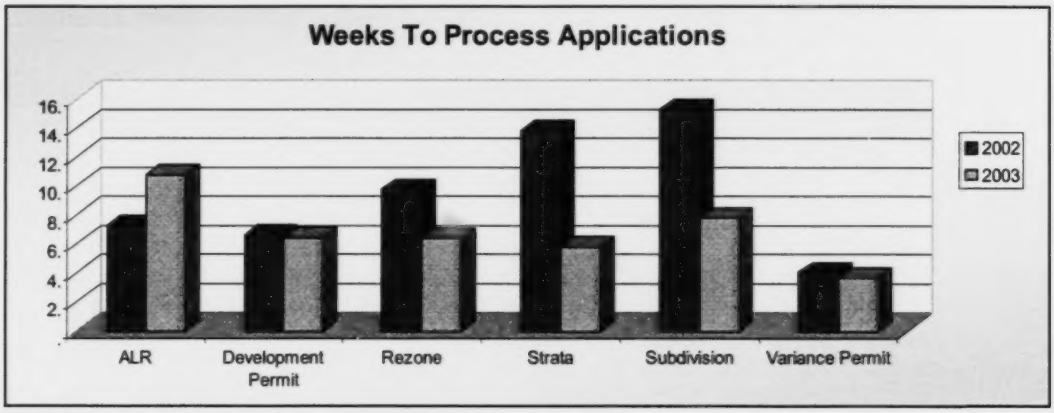


Figure 2 - Planning Department Time to Process Applications

✓ The Planning Department also tracked statistics on population growth as displayed in Figure 3. It can be seen that there has not been any significant growth in the City since 1999 to 2000 and that growth has been rather flat for the last three (3) years.

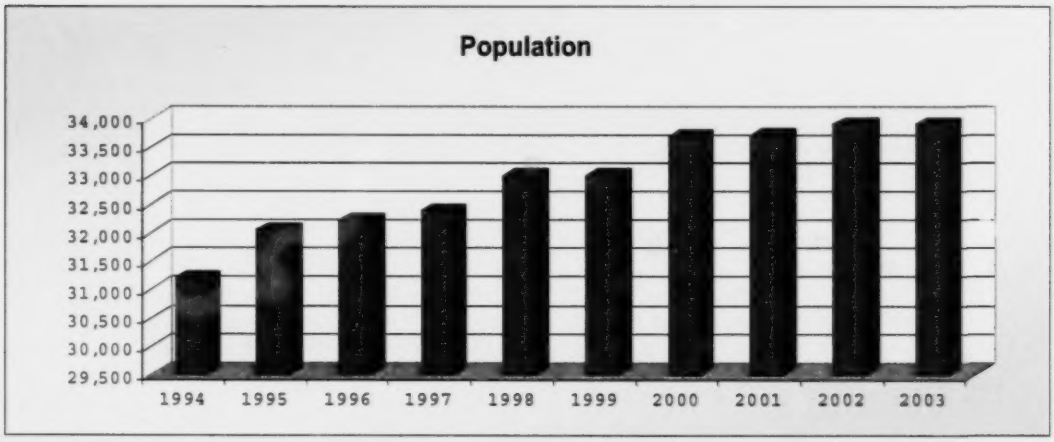


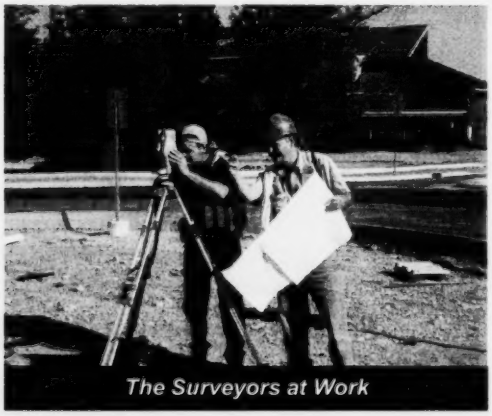
Figure 3 – Population Growth

The planned goals for the Planning Department for 2004 are:

- Commence work on a rewrite of the Zoning Bylaw.
- Hire a Contract Planner.
- Complete the Northeast Sector Plan.
- Complete the Comprehensive Development Plan.
- Amend the Official Community Plan to reflect the: Agricultural Plan; The Northeast Sector Plan and; The Comprehensive Development Plan.
- Amend and update the Development Cost Charges Bylaw.
- Achieve 100% electronic submissions for Council Packages.

ENGINEERING DEPARTMENT

The Engineering Department has four main focuses areas. The first is to provide professional engineering advice to Council. The second is to plan, budget, design and construct Capital Infrastructure projects. The third is to review, inspect, approve and provide input into the requirements for private development. The forth is to maintain records with respect to engineering drawings and reports.



The Surveyors at Work

The Engineering Department is managed by Marty Willfong a professional engineer with six (6) years experience mostly in local government with a brief foray in to the private sector. Marty is assisted in carrying out the responsibilities of the Engineering Division by a permanent staff of seven (7), three (3) direct reports and four (4) indirect reports.

The key achievements for the Engineering Department for 2003 were:

- ✓ Completed 2003 Capital Projects within 4.3% of the total $1,770,000 budget.

- ✓ Completed the Penticton Industrial Development Area (PIDA) underground and surface works project on Industrial Avenue and Camrose Street. This is a continuation of past joint City / Business projects in the PIDA area and saw the long awaited provision of sanitary sewer mains, water mains, concrete curb, and gutter and asphalt roadways. This project has made a marked improvement to Penticton's Industrial area.

P.I.D.A. Construction

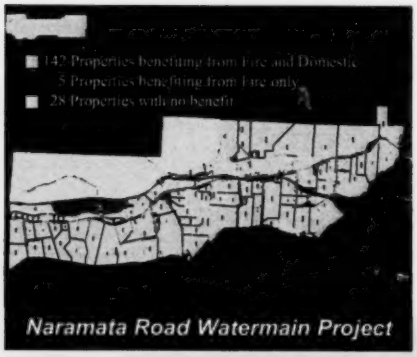
- ✓ Storm sewer and water main upgrades on Manitoba Street, Forestbrook Drive – Municipal Avenue were completed. These improvements improved fire flows and addressed long standing drainage concerns.

- ✓ Installed storm sewer and asphalt surface works on South Main Street, Green Avenue – Lee Avenue. These upgrades improved drainage capacity and ride quality.

- ✓ Paved the Alberni Street Parking Lot reducing dust and gravel tracking and reduced maintenance costs.

- ✓ Rebuilt the McLaren Avenue Tennis Courts improving the playing surface.

- ✓ Completed a $350,000 recapping project on numerous priority roads in Penticton with the most significant being Skaha Lake Road Lee Avenue to the Caravelle Estates.


142 Properties benefiting from Fire and Domestic
5 Properties benefiting from Fire only
28 Properties with no benefit

Naramata Road Watermain Project

- ✓ Commenced working with the Naramata Road and Valleyview Road area residents to see what could be done to rectify the long standing concern with a lack of adequate fire flow.

- ✓ Commenced the final stages of a re-write of the Subdivision & Development Works & Servicing Bylaw. This is the document that sets the standards for development in the City. The new Bylaw will include sections that address hillside development and smart growth thus positioning the City to deal with new types of future development.

- ✓ Commenced concept design on the Main Street Revitalization project. This project involved developing concept designs for an eight (8) block section of Main Street from Jerymn to Lakeshore Drive. This project once constructed will make a significant change to the look and feel of the downtown and will complement many of the redevelopment initiatives started by the Planning Division.

- ✓ Designed and tendered the Marina Way signature project which included a roundabout for traffic calming and to provide an interesting entrance feature. This project was controversial due to the tendered cost being over budget. Once the budget shortfall was addressed work commenced and is expected to be completed by mid 2004.

Marina Way

- ✓ Developed and executed a cost sharing agreement for sidewalk and electrical improvements at work at 100 Lake Shore Drive. This will complement the new high rise condominiums being constructed in the area and will improve the view corridor to Okanagan Lake.

- ✓ Reviewed, approved and inspected approximately eleven (11) private development projects.

The planned goals for the Engineering Department for 2004 are:

- ➢ Complete and execute a Sanitary Sewage Treatment with the Penticton Indian Band.

- ➢ Develop and implement a plan for rectifying the Naramata Road and Valleyview Road fire flow issues.

- ➢ Complete 2004 Capital Works projects on time and on budget.

- ➢ Complete the first phase of Transportation Study, Data Collection.

- ➢ Complete a comprehensive Sewer and Water Study.

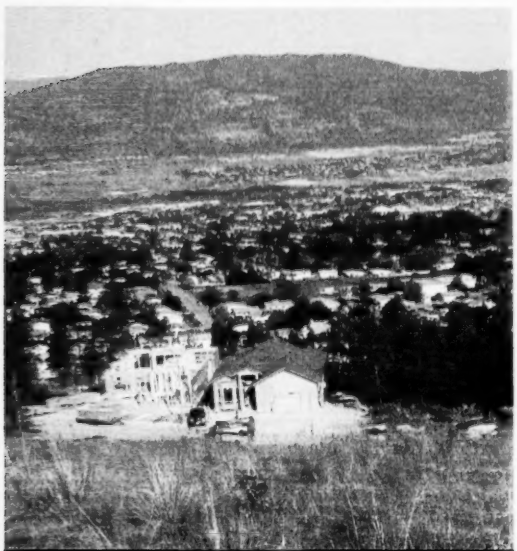
- ➢ Create a comprehensive Irrigation, Water, Sanitary Sewer and Storm Sewer Bylaw.

- ➢ Implement an electronic data base to track development projects.

- ➢ Complete and adopt the new Subdivision & Development Works & Servicing Bylaw.

BUILDING AND LICENSING DEPARTMENT

The Building and Licensing Department is charged with providing three services. The first is the building permit and inspection service which addresses residential, commercial, institutional and industrial building construction in the City of Penticton. The second is to provide enforcement of the City of Penticton Bylaws which includes property bylaws, traffic and parking bylaws. The third is a licensing function which involves the review and issuance of business licenses and liquor licenses.



New Construction

The Building and Licensing Department is managed by the Chief Building Official, Barry Chickloski who has an Architectural Technology Diploma, thirteen (13) years of local government experience plus an additional ten (10) years of private sector experience.

Inspecting New Construction

The Department carries out their responsibilities through the Chief Building Official managing a permanent staff of seven (7) direct reports and possible contract or in-house staff of up to three (3) indirect reports.

The key achievements for the Building and Licensing Department for 2003 were:

- ✓ Commenced work on a Residential Parking Only Policy. This policy when adopted will provide a mechanism for those with a lack of available parking in front of their house to secure dedicated parking.

- ✓ The installation of parking control in the form of parking meters, timed parking zones and timed parking lots was undertaken. These installations were aimed at improving the turnover rate for parking in the downtown core, reducing the amount of long term on street parking and to provide consistency with respect to the type and location of various forms of parking control. The installations have succeeded in freeing up more on street parking in the targeted areas but have created new problems in previously unaffected areas. Data gathered and analyzed as part of the Transportation Study should help to gain a better understanding and provide a better method of addressing parking in the downtown.

Enforcing the Bylaws

- ✓ Set up a policy and chaired the committee that addressed the process of Liquor Licensing. This proved to be an educational process as adjustments to the policy were required to better address requests within the context of Provincial Legislation and the needs of the community and the industry.

- ✓ Through the 2004 Budget process secured additional funding to address an increase in parking enforcement.

Monitored Building Permit Activity. Figures 4 and 5 illustrate that Building Permit activity in terms of volume and value have been on the rise since 2000. The increase from 2000 to 2003 was 59% in terms of volume and 153% in terms of value.

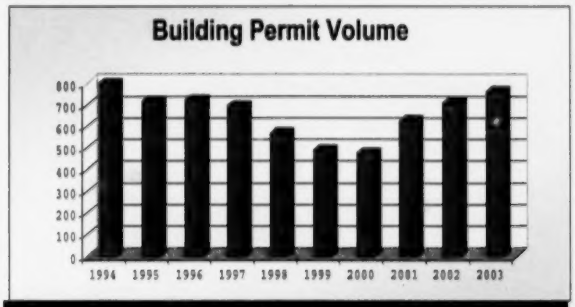


Figure 4 –Building Permit Volume

- ✓ This statistic demonstrates the increasing health and vitality of Penticton's development and construction industry. 2003 remained strong with a 7% increase in building activity as measured by the number of permits and a 32% increase in the value of construction over the previous year. As with the Planning Division this increase in activity was handled with no increase in staff.

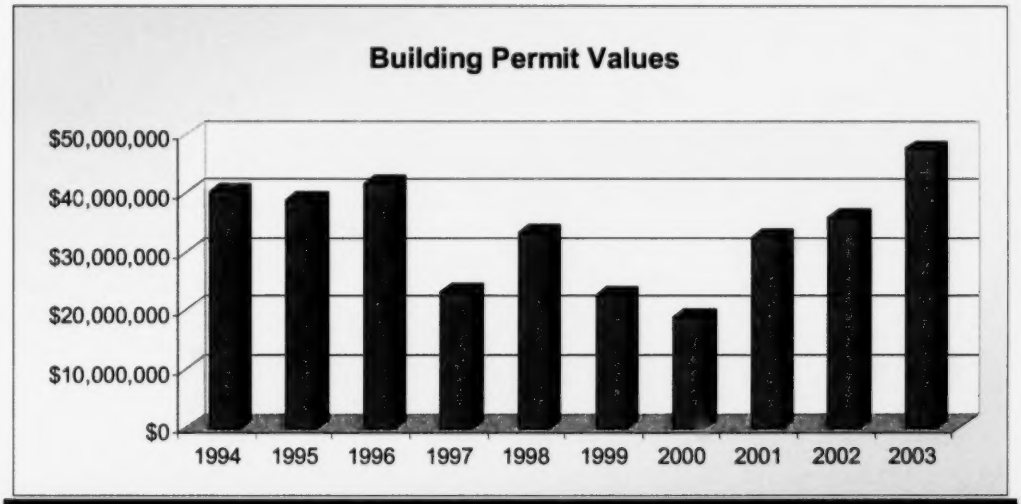


Figure 5 –Building Permit Values

- ✓ Monitored the make up of Building Permits issued. Figure 6 shows the make up of the Building Permits issued in terms of residential and commercial, industrial and institutional. As can be seen the ratio of between the two classes of Building Permit changes from year to year. 2002 to 2003 saw an increase in commercial, industrial and institutional building.

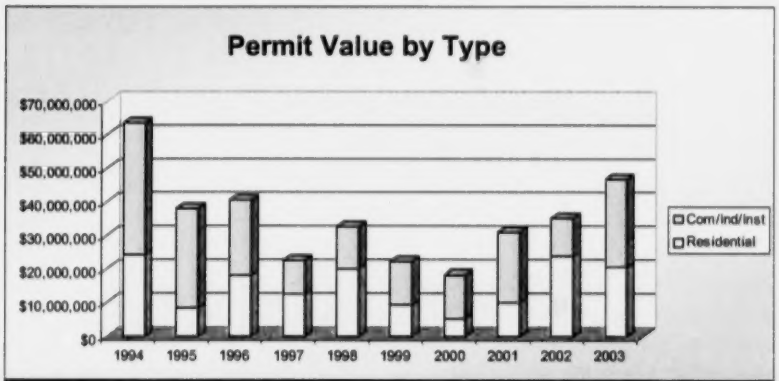


Figure 6 –Building Permit Values by Class of Permit

- ✓ In 2003 the Building and Licensing Department did a random sample to determine the time to process Building Permit applications, see Figure 7. The time to process has increased in all categories except for the institutional category on the range of 48% to 80%. The time to process has decreased for institutional by 67%. This increase in time to process is discouraging but not unexpected given the increase in the number of permits that the Division is processing. Steps will be examined in 2004 to remedy this situation.

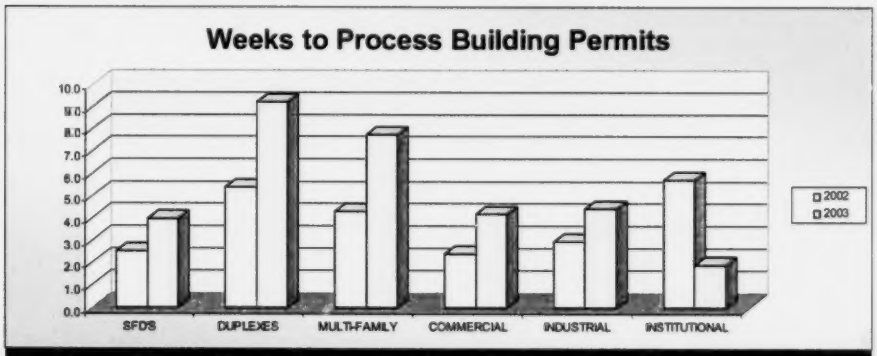


Figure 7 – Building and Licensing Division Time to Process Applications

✓ The Building and Licensing Department also issues and tracks the issuance of Business licenses. The value of Business Licenses issued in 2003 showed a small increase on 1% over 2002, see Figure 8.

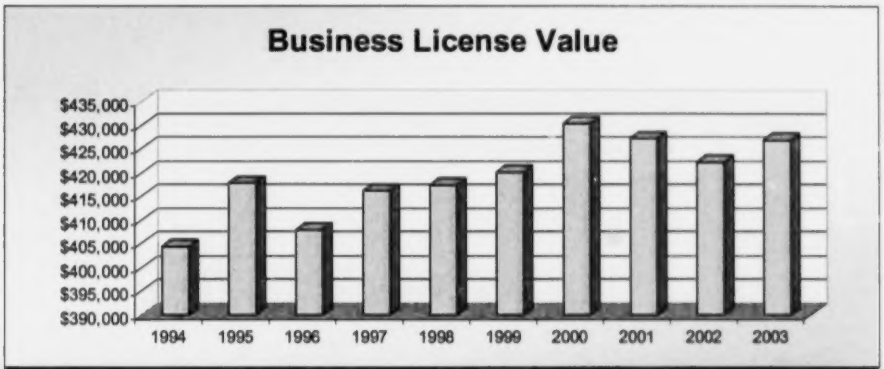


Figure 8 – Business License Value

The planned goals for the Building and Licensing Department for 2004 are:

- Examine methods to reduce the time to issue permits.
- Amend the Noise and Nuisance Bylaw to allow construction activity to start at 0700 and run to 2200 seven (7) days per week, three hundred and sixty five (365) days a year.
- Amend the Private Property Maintenance Bylaw to include a provision to address reoccurrence and to shorten the time to achieve compliance.
- Complete the Residential Parking Policy.
- Obtain new staff or contract for the provision of additional parking enforcement.
- Rewrite or amend the Building Bylaw to bring it in conformance with the MIA Core Bylaw and to make it a requirement that low water use fixtures be used on all new and renovation projects.
- Rewrite the Business License Bylaw to: Reduce the number of license classes; Simplify the fee schedule.

PUBLIC WORKS DEPARTMENT

This is the largest Department within the Development and Engineering Services Department. The Public Works Department is managed by Len Robson who has a diploma in Engineering Technology is AScT certified and brings sixteen (16) years of experience to the City.

The Public Works Department is further broken down into two sub-Department, the Works sub-Department and Water and Waste Water Quality sub-Department.

The Works sub Department which includes three areas. The first is the Fleet Maintenance area which is charged with maintaining and managing the City of Penticton's fleet, the RCMP fleet and Regional District of Okanagan Similkameen fleet. The second is the Utility area which maintains the underground water, storm and sanitary sewer infrastructure, and performs the water meter reading and water meter maintenance functions for the City. The third area is the Works area which provides road maintenance and compost functions for the City. This is the area of the City that keeps things running smoothly twenty four (24) hours a day seven (7) days a week.

The Fleet at Work

The Water and Waste Water Quality sub-Department includes two further sub-departments. The first is the Water Quality area which is responsible to operate and maintain the City's water treatment plant, water storage reservoirs and water pump stations.

Keeping Your Water Safe

The second is the Waste Water Quality area which maintains and operates the City of Penticton Advanced Waste Water Treatment Facility and the sewage lift stations.

This sub-Department ensures that the water you get at your tap is safe to drink and that your sanitary sewage is treated properly. The citizens of Penticton are fortunate that we have state of the art water and waste water facilities run by the best in the business. Our faculties are often showcased to universities, consultants and other municipalities.

The Public Works Department carries out their responsibility through the Manager of Public Works managing a staff a permanent staff of forty eight (48) four (4) direct reports and forty four (44) indirect reports.

The key achievements for the Public Works Department for 2003 were:

Works Sub-Department

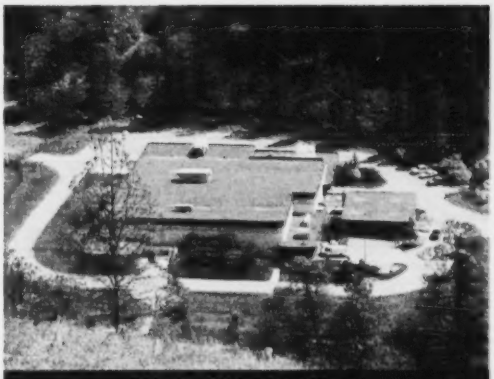
- ✓ Addressed several significant staff changes with in the sub-Department which included:
  - The retirement of the Manager of Public Works and the Supervisor of Works.
  - Reorganization which eliminated the Assistant Works Supervisor Position.

The Crew at Work

- ✓ Commenced a dam safety assessment to determine the status of dam safety and provide recommendations for changes or required work.
- ✓ Commenced rehabilitation on the Ellis #2 and Penticton #1 dams to correct noted concerns with respect to the condition of the dams.
- ✓ Completed the Wade Avenue walking bridge to better facilitate pedestrian traffic movements.
- ✓ Undertook and completed a LED Christmas light program in an effort to reduce power consumption.
- ✓ Completed a water meter replacement program to change out 1,500 water meters to reduce the risk of potential damage from the effects of high pressure on water meter casings.

Water Quality Sub-Department

- ✓ Completed a reorganization to eliminate the Assistant Water Quality Supervisor position.
- ✓ Re-profiled the Cross Connection Coordinator position to include responsibilities for water conservation. This will help the municipality address the shortage of water in the Okanagan Valley and educate people on how to conserve this precious resource.
- ✓ Commenced work on the cross connection control program to help ensure the safety of the City's water system.
- ✓ Installed booster stations at the Gordon Avenue Reservoir and the Carmi Avenue Reservoir. These stations will supply water service to homes that are at a higher elevation than the reservoirs at the proper water pressure. Both stations have stand-by generator power back up, and both will be able to deliver fire flows to the hydrants they serve.

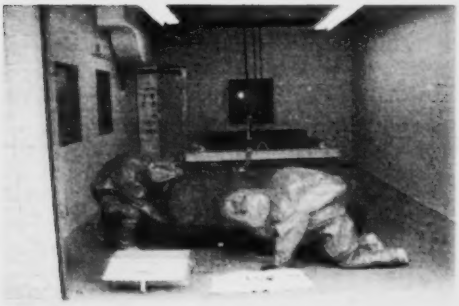


Water Filtration Plant

- ✓ Retained Associated Engineering to conduct a study of future growth options for the Water Treatment Plant and Distribution system. The final report is expected to be completed in the early spring of 2004. Preliminary analyses indicate that some changes will be required to meet the anticipated demand.
- ✓

- ✓ An online particle counter was purchased and installed to monitor water quality at the distribution end of the Water Treatment Plant. This will provide for better monitoring and recording of water quality and ensure that it is properly treated prior to delivery to the customer.

Work on the Waste Water Plant Treatment



Changing Chemical Tanks

- ✓ The Water Treatment Filtration Plant commenced addressing the requirements in the newly introduced provincial government "BC Drinking Water Protection Act". The legislation was introduced in May of 2003 and is designed to improve drinking water protection and enhance public health and safety.

- ✓ The Advanced Waste Water Treatment Facility completed an upgrading of the aeration system from coarse air diffusers to fine air diffusers. This was a joint partnership project between the City of Penticton and Aquila Networks Canada's Power Sense Program. The total cost of the project was $165,000 with Aquila contributing $60,000. The projected payback period to the City is calculated at three years.

Advanced Waste Water Treatment Plant

- ✓ A joint effort between the City of Penticton and the University of British Columbia regarding the removal of phosphorus, ammonia, and manganese from the anaerobic digester to create a crystal fertilizer was worked on. The project saved money by altering the manner in which sludge hauling was addressed and produced a high quality fertilized feed stock. The pilot project ran from June to December 2003 and was a resounding success.

- ✓ The scum skimming process was modified and resulted in a yearly savings of $8,000.00.

The planned goals for the Public WorksDepartment for 2004 are:

- Put in place and implement a cross training program for the Water and Waste Water areas.
- Bring the Department up to full staffing levels.
- Amend the City of Penticton Water use License for Okanagan Lake.
- Complete the Warren Avenue Well Protection Plan.
- Complete the Emergency Response Plan for the Water Filtration Plant.
- Investigate an inclining block rate for water use charges.
- Investigate metering and charging for irrigation water on a cubic meter basis.
- Undertake a review and rewrite of pertinent Public Works Policies.

PARKS, RECREATION, CULTURE AND CONVENTION DIVISION

The Division's mission is to achieve socially worthwhile goals which will enhance the quality of life for the citizens, visitors, and future generations of Penticton. The underlying theme for the staff and volunteers is *commitment*! Commitment to our jobs, to our mission, and to the community.

The Division consists of five (5) Departments: Parks and Cemeteries, Facilities, Recreation, Museum, and Trade & Convention. The Division also co-ordinates the Personal Disaster Assistance (PDA) and Emergency Social Services (ESS) functions for the City in times of family or community disaster. The Division services are provided through a Director, six (6) supervisors, 100 full or part-time employees and nearly 300 volunteers. In addition, 90 contract staff instruct recreation programs for the community and dozens of contractors provide everything from security to custodial services.

The re-organization of the City's administration in 2003, key retirements, and advancements in technology has led to some re-structuring of the Division. Several positions were created or eliminated and new assignments given to existing supervisors. The changes were initiated to improve customer service, meet changing public needs, increase levels of professionalism, and to provide new challenges for individuals. The changes within the Division also resulted in annual savings of almost $100,000.

The Division's administration manages human and physical resources, planning, research, administrative priority setting, liaison with authorities, fiscal control, support to advisory committees, and assistance to community groups.

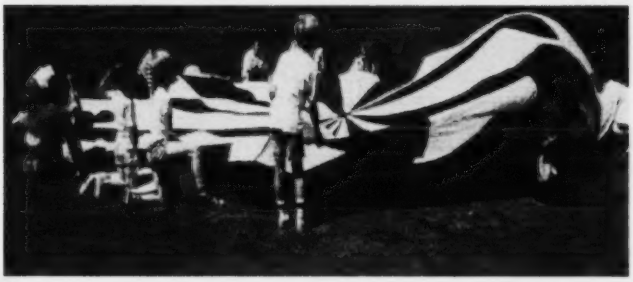
Division highlights for 2003 were:

- ✓ The completion of a $5,300,000 capital works program.
- ✓ Securing a $1,300,000 Canada-B.C. Infrastructure Grant for Phase Three renovations of the Convention Centre.
- ✓ Partnered or liaised with many community groups to produce special events, community programs, facility improvements, concept plans and visions, fundraising, and the implementation of innovations.
- ✓ The completion of a community survey on recreation programs and facilities as part of an update to the Parks, Recreation and Culture Master Plan.
- ✓ The completion of the first phase of a Library, Museum and Auditorium Study.
- ✓ The successful bid to host the 2004 B.C. Seniors Games.
- ✓ The implementation of departmental re-organizations that improved services, working environments, and saved almost $100,000.

Division goals for 2004 are summarized in the Department reviews, plus the following:

- To submit applications to host events that will increase the profile of Penticton and provide a positive economic impact on the community.
- To complete a feasibility study and the financial due diligence phase on the proposed South Okanagan Event and Cultural Centre.
- To initiate and complete research on projects such as a softball complex, fieldhouse, new library and museum, theatre improvements, pool upgrade options, and others as identified.
- To work with the School District on the Penticton High School Building Committee.
- To complete Phase 3 construction of the Penticton Trade and Convention Centre.
- To complete grant applications for capital projects.
- To update selected sections and issue papers within the Parks, Recreation and Culture Master Plan, including a paper on sub-regional recreation.

RECREATION DEPARTMENT



The Recreation Department provides programs, community development, office administration, facility and park reservations, theatre administration, equipment maintenance, and assistance to advisory committees and community groups.

Through leadership, advocacy and the provision of programs, services and educational opportunities, the Recreation Department is constantly striving to attain and maintain a healthier community. Through the programs and services offered, the staff and volunteer team strive to:

- ✓ Provide a balanced diversity of recreational and cultural opportunities which will foster a sense of community and individual growth.
- ✓ Support community organizations and individuals with their delivery of services.
- ✓ Foster a strong sense of volunteerism within the community.
- ✓ Encourage activities, which will provide economic and social benefits to the community.

The Department's structure includes two Recreation Supervisors and 11 additional full time staff with 182 combined years of service with the City, 14 part time staff who have collectively worked for 40 years with the City, 90 contract staff providing recreation programs and courses, and nearly 200 volunteers who provided 11,300 hours of service in 2003.

The highlights for 2003 included:

- ✓ Promoted health and wellness through the coordination of the National Move for Health Day.
- ✓ Embraced the national HIGH FIVE quality assurance program and trained staff in the program to ensure that children's sport and recreation programs are delivered in ways that support the child's healthy development.
- ✓ Provided leadership on the Bid Committee that secured the 2004 BC Seniors Games for Penticton. The Games will support sport tourism, encourage active living, and will show economic benefits to the City.
- ✓ Led the city-wide coordination and promotion of National Youth Week. The celebration promoted sports and culture, and provided many educational opportunities.
- ✓ Played an instrumental role in starting the first annual Okanagan International Children's Festival. In its first year, over 2,500 people attended the event.
- ✓ Coordinated the Emergency Social Services program in response to the spring gas leak, summer forest fires, and fall wind storm.
- ✓ Provided both training opportunities and a network from which to draw 'best practices' and the highest standards within the recreation programming field.
- ✓ Won the 2003 BCRPA Program Excellence Award for its Youth Programming.
- ✓ Played an important role in the initial formation of the BC Chronic Disease Prevention Alliance and more recently, the South Okanagan Healthy Living Alliance. This partnership of various health-related organizations was created to improve the health of Okanagan residents by promoting physical activity, healthy eating and smoke free living.
- ✓ Continued the partnership with School District No. 67 to provide recreational opportunities for schools in City facilities and community access to school facilities for evening recreational use.
- ✓ Continued a working relationship with the Ministry of Public Safety and the Solicitor General to provide community based crime prevention initiatives for youth 12 to 18 years. The program involved 1,200 youth in Nights Alive events in 2003.
- ✓ Through assistance and the sharing of resources, help community events such as the Downtown Penticton Association led special events, Sunshine Cabaret, One World Festival, Relay for a Friend for the Cancer Society, Sunshine Cabaret – Music in the Park program, etc.
- ✓ Received grants from HRDC, the Penticton Foundation, the Sunshine Fund, and Block Watch Society of BC for recreation programs and activities.
- ✓ 60 children taking part in the New Waves swimming program. The program is designed to provide greater independence in daily living activities and improve ability to cope with limitations imposed by disabilities.
- ✓ 667 aquatic classes offered and 3,752 people enrolled.
- ✓ Over 8,000 participants in 776 Aquafit classes.
- ✓ 7,963 visits to the REACT program, a doctor referred therapy program for clients challenged with stroke rehabilitation, head injuries, motor vehicle accidents, polio, arthritis, Alzheimer's, post surgery, and paraplegics.

- ✓ Received the National Lifeguarding Services Affiliate Award from the Canadian Lifesaving Society for the most lifeguards and lifesaving instructors certified for a population of 20,000 to 50,000 in British Columbia in 2003.
- ✓ Offered 372 youth programs and registered 4,163 participants in youth recreational activities.
- ✓ Over 1,800 visits to Family Drop-in Gymtime.
- ✓ 800 children, parents and grandparents attended the sold-out Pumpkin Patch event.
- ✓ 2,000 crafts were made in 2 hours at the sold out Santa's Craft Workshop.
- ✓ 800 teens attended the Nights Alive Rocktoberfest event. The huge event proved to be a breakthrough in teen involvement in the planning and facilitation of events.
- ✓ An increase in healthy living-based adult programming such as Yoga Fit, Stress Buster 6 Packs, and Postnatal Fitness.
- ✓ Hearts at Work, Heart Smart and Stretch 'n Stroller programs were offered with support from the Interior Health Authority.
- ✓ A significant increase in outdoor recreation programs.
- ✓ A new Fit 'n Fifty Yoga program for 50+.
- ✓ The Women Expanding Boundaries lecture series offered in partnership with the Women's Centre.
- ✓ Adult program registration increase by 10% over the previous year.
- ✓ 115 participants registered for the Sun Run Training Clinic to prepare for the 10 km Vancouver event.
- ✓ Over 240 adult programs were offered and filled to 70.5% of capacity.
- ✓ The Cleland Community Theatre increased revenues by 23% from the previous year and increased bookings by 18%.
- ✓ There were over 5,000 visits to public skating.
- ✓ Over 1,450 park bookings were completed.
- ✓ 3,456 school facility bookings were processed.
- ✓ Community Centre bookings increased by 10%.
- ✓ 823 single pool bookings took place which resulted in 25,280 participants enjoying the facility.
- ✓ Pool rental revenue increased by 22.5%.
- ✓ There were 78,595 public swim visits.

"Coming here saved my life ... thank you."
Early Bird Swimmer

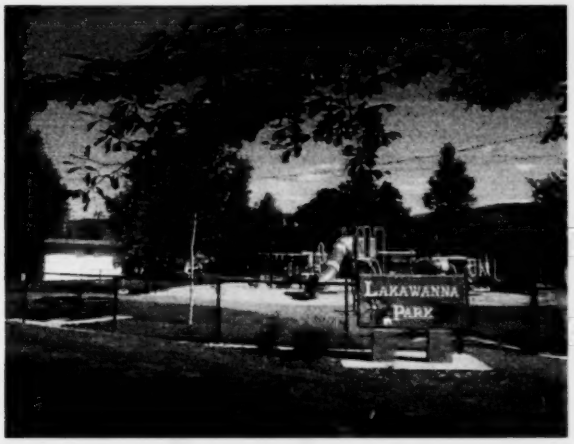
The planned goals for the Recreation Department for 2004 are:

- To host the 2004 British Columbia Recreation and Parks Association Symposium and Annual General Meeting.
- To continue and increase our support to athletes and coaches by broaden the scope of cooperation with Pacific Sport Okanagan.
- To expand our sport and cultural tourism programs and partnership with events.
- To implement user-friendly on-line registration software for recreation programs to increase access and convenience to the public.
- To provide professional staff input and facilitate public input for future facility development.
- To facilitate the community's efforts to host the 2004 BC Seniors Games.
- To develop and implement the LIFE program to provide consistent and equitable recreational opportunities for Penticton families living on limited incomes.
- To pursue additional funding opportunities for the Youth Activity Park.
- To expand aquatic recreation programs.
- To develop strategic partnerships with health agencies to increase leisure education.
- To update marketing plans for the Community Centre and recreation programs.
- To expand the role in promoting healthy living by directly providing educational programs.
- To develop additional partnerships which facilitate integrated programs for those with disabilities.
- To implement the High-Five training programs for Recreation Department staff.

"We need a paradigm shift in health care from treatment oriented to a prevention oriented society. The health care crisis will never be resolved until we embrace prevention. Never have the benefits of recreation been more evidence-based and adults must lead by example."

U.S. Surgeon General Vice Admiral Dr. Richard Carmona

PARKS AND CEMETERIES DEPARTMENT



The Parks and Cemeteries Department provides public open spaces, two cemeteries, beautiful clean beaches, parks furniture, water equipment, integrated pest management, turf management, flowers and trees, sports fields, trails, hanging baskets, a tree nursery, irrigation systems, litter control, general park maintenance, special event assistance, playgrounds, parkland design and construction, and community development.

Through their commitment to the community, innovations, and pursuit of partnerships; the staff and volunteers of the Parks and Cemeteries Department strive to:

- ✓ Maintain and protect a quality parks and beaches system which meets the community's needs and provides a positive impression to visitors.
- ✓ Provide outdoor opportunities for public participation.
- ✓ Protect the natural environment for future generations.
- ✓ Protect outdoor landmarks and heritage trees.
- ✓ Maintain the resting space of deceased residents of Penticton.
- ✓ Provide a comforting and quality experience to those citizens visiting loved ones who are interned at the Lakeview and Fairview Cemeteries.

The Parks and Cemeteries Department is administered by a Parks Supervisor and has eight full time employees and twenty three seasonal staff members. The Department has three sections, each with a lead sub-foreman, including Amenities and Design, Urban Forestry and Integrated Pest Management, and Horticulture. There are approximately 30 volunteers in the Adopt-a-Park Program.

The highlights for 2003 were:

- ✓ Completed a $2,700,000.00 capital works program.
- ✓ The rebuilding of the McLaren Parks tennis courts. The courts with now include two tennis courts and one play court design for street hockey.
- ✓ The building of a pathway along Ellis Creek between Main Street and Government Street.
- ✓ The upgrading of the Nkwala softball field and soccer pitch and an $8,000 donation from the Penticton Slo-Pitch League to partially fund the improvements.
- ✓ The completion of a Trans Canada Trail erosion control study.
- ✓ The installation of a new irrigation system in Riverside Park.

- ✓ The purchase of new beach rafts, bleachers, swimmer rafts, safety floats, deep in-ground trash receptacles and pet stand, all contribute to a more efficient ongoing maintenance function.
- ✓ Beach cleaning commenced in May and continued to the end of August. Staff also cleaned beaches for several other communities, at a charge out rate that covered costs plus.
- ✓ Litter control continued to be a problem and challenge in 2003 as additional household wastes was deposited by residents after changes to the garbage pick-up and recycling procedures. The Parks Department installed additional deep garbage containers to reduce maintenance schedules and costs. This helped to keep budgets under control after overages in 2002.
- ✓ Design started on Riverside Park, Gyro Park, Okanagan Park, Marina Way Park and the Youth Activity Park. Public meeting were held for each and concepts finalized. Detailed design is budgeted for 2004.
- ✓ Responded to 178 complaints and inquires about existing city trees. Evaluated and either removed or pruned 97 hazardous trees in response to customer inquiries.
- ✓ Pruned 400 trees and 300 shrubs as part of the regular maintenance program.
- ✓ Over 100 trees were planted on City boulevards and in the parks.
- ✓ Continued the City's committed to an integrated pest management program that uses safe and healthy alternatives to pesticide use.
- ✓ Donation of $14,000 worth of new playground equipment for Kiwanis Park on Edmonton Avenue by the Kiwanis Club. This is not only an improvement for the park that serves the neighbourhood, but the city buildings in the park also houses three preschool and after school care programs. The not-for-profit and special needs children in the programs will greatly benefit from the Kiwanis Club's generosity. The Parks Department has agreed to install the equipment in 2004 and the City will cover the installation costs.
- ✓ Individuals donated $14,000 towards new benches and tables for our parks.
- ✓ Donations of labor through the new Adopt-a-Park Program provided enhancement for the pathway system and opportunities for two Boy Scout groups to adopt sections of Penticton Creek.
- ✓ Staff worked with the RCMP and local youth on community service projects as retribution for vandalism to parks furniture.
- ✓ Staff continued to assist events and community groups with the provision and delivery of bleachers, garbage can, and picnic tables. Thirteen requests were received and responded to. Ironman Canada was a prime example of one request as many of our Park resources are moved to the downtown core to accommodate the needs of the event.
- ✓ Parks staff assisted several commercial venders in our park system get prepared for the 2003 season, including the placement of anchors for the Crazy Water in-ground playground on Okanagan Lake and the expansion to LocoLanding Adventure Golf and Bumper Boats in Riverside Park.
- ✓ An outstanding floral display in the downtown section of Penticton with over 100 hanging baskets and planters.

- ✓ The sports fields held a green colour for the entire season and remained weed free. Fertilizing of sportsfields was done with slow release nitro-form fertilizer and turf aeration was completed twice during the growing season.
- ✓ Through cooperation with the Square Dance Jamboree and good turf rehabilitation practices, the impact of the annual jamboree's dance floor on the King's Parks turf was minimal and sports field play commenced almost immediately after the event concluded.
- ✓ Continued and enhanced water saving practices in a parks irrigation system that includes 108 individual domestic water services and 643 individual valved irrigation zones. Both Kings and Queens Parks use effluent wastewater to irrigate the fields, saving the city's precious domestic water. Furthermore, rain sensor switches were installed into several park irrigation systems as a water saving procedure.
- ✓ Twenty nine staff members were involved in safety training in 2003. An audit was completed on the Parks Occupational Health and Safety Program and the results indicated that the Department had a good functioning safety culture with an overall 90% grade.
- ✓ The Department maintained a regular 'due diligence' check on parks, playgrounds and equipment.
- ✓ Double check valve systems have been installed in all 108 water supplies, including the new services into Gyro Park.

The planned goals for the Parks and Cemeteries Department for 2004 are:

- ➢ To complete the approved 2004 Capital Budget which includes equipment purchases, detailed design of five parks as part of the Okanagan Lake Integrated Waterfront Plan, retrofitting of two ball diamonds, landscaping around the PT&CC, base development of Okanagan Lake Park, base development of the Riverside Park Family Picnic area and tree planting.
- ➢ To develop an Irrigation Management Plan and implement improvements contained in the plan in order to decrease water consumption.
- ➢ To start work on a Pathways Plan for the City, including detailed design for tendering purposes.
- ➢ To refine the Urban Forestry Management Plan and include a Heritage Tree Inventory.
- ➢ To complete an inventory of all boulevard, park and greenbelt trees.To work with special event groups on management plans for sound abatement and reduced impact on special event parks.
- ➢ To develop a new 10 year cemetery maintenance contract and award it in 2004.
- ➢ To assist other Departments with the hosting of the 2004 British Columbia Recreation and Parks Association Symposium, and specifically help with the trade show and program.

Our parks are among the city's most popular tourist attractions.

FACILITIES DEPARTMENT

The Facilities Department provides property management functions for the development and maintenance of all civic and recreational facilities, with the exception of the two treatment plants. Staff in the Facilities Department strive to:

- ✓ Provide staff, citizens, and visitors with safe and clean facilities; in a cost efficient manner.
- ✓ Provide maintenance services for 500,000 square feet of building space.
- ✓ Supervise, operate, and provide custodial services for two arenas and a Community Centre operating eighteen hours per day and seven days a week.
- ✓ Provide a wide variety of services for staff, community groups, and special events throughout the city.
- ✓ Manage contractors providing HVAC, electrical, fire/safety/ security, and janitorial services.
- ✓ Supervise consultants and contractors who are awarded design and construction works on City buildings.

The Facilities Department is led by a Facilities Supervisor and has two sub-foremen, five maintenance personnel, and nine facility attendants.

Highlights in 2003 included:

- ✓ Completed a $2,600,000 capital works program.
- ✓ Operated recreation facilities on an eighteen hours a day and seven days a week schedule.
- ✓ Repaired and upgraded aging infrastructure including the completion of Phase 2 renovations to the Penticton Trade and Convention Centre, repairs to the elevator in the Community Centre, upgrades to the ceiling and lighting system in McLaren Arena, roofing repairs to the Leir House Cultural Centre, flooring upgrades at a Fire Hall, and stage improvements to the Cleland Community Theatre.
- ✓ Completed the first phase of a vision paper for the Library and Museum.

- ✓ Completed a concept for the South Okanagan Event and Cultural Centre for the local Legacies Now Committee.
- ✓ Prepared the old RCMP building for occupancy by the BC Seniors Game Society.
- ✓ Completed annual maintenance functions for both arenas and the Community Centre pool within budget and limited timelines.
- ✓ Provided support to the Emergency Social Services program during the summer fire season and assumed responsibility for the group lodging function and set-up.
- ✓ Cooperation with the Foundation of the South Okanagan and Arts Council to fund accessibility improvements to the Leir House Cultural Centre.
- ✓ Partnering with the Foundation of the South Okanagan and Committee for the Disabled to fund improvements to the Community Centre elevator.
- ✓ Partnering with the Department of National Defense to clean-up the lead contamination in Nanaimo Hall.
- ✓ Partnering with the Curling Club to complete several improvements to the curling facility, including the replacement of the exterior stairwell.
- ✓ A financial partnership with the Penticton Soccer Club to replace a fire exit stairwell on the Soccer Clubhouse in Kings Park. The Soccer Club donated $3,000 to the project.
- ✓ Cooperation with Public Works and the Parks Department on the installation of backflow prevention equipment on key water systems in city buildings.
- ✓ Partnering with Minor Hockey who donated $10,000 towards changeroom upgrades for females and referees at McLaren Park Arena.
- ✓ Qualifying for energy grants from Aquila Power for energy efficiency improvements to McLaren Arena and the Trade and Convention Centre.
- ✓ Completion of the $1,200,000 second phase renovations to the Penticton Trade and Convention Centre and started work on the $2,000,000 phase three renovations.

The planned goals for the Facilities Department for 2004 are:

- ➢ To complete the 2004 approved capital program for City facilities.
- ➢ To continue the implementation of safety programs in cooperation with the Corporate Health and Safety Committee.
- ➢ To complete construction of the third phase of the renovations to the Penticton Trade and Convention Centre.
- ➢ To lead the design and construction process for the new Penticton Wine Country Visitors and Wine Centre.
- ➢ To continue developing visions and plans for the Library, Museum, Auditorium, Fieldhouse, Cleland Community Theatre, Community Centre, and South Okanagan Event and Cultural Centre.
- ➢ To work with the Parks Department on structural components with scheduled park upgrades.
- ➢ To review and refine budgeting processes for the Department in cooperation with the Finance Department.
- ➢ To become more active with the Recreation Facilities Association of B.C. and submit and bid to host their 2006 conference, trade show and AGM in Penticton.

MUSEUM DEPARTMENT

The Museum Department provides archives, museum displays, public education, research, local history resources, gift shop, and artifact maintenance and protection. The museum provides an attraction for visitors and preserves our heritage for future generations.

The staff, volunteers, and the Friends of the Museum Committee strive to:

- ✓ Maintain and exhibit the heritage records of the community.
- ✓ Provide educational opportunities regarding the area's history.
- ✓ Be an important tourist amenity for the City and the South Okanagan.

The Museum staff includes a Curator, one full-time assistant, and 20 voluteers.

Highlights for 2003 included:

- ✓ A successful summer program that included three summer students and offered special events, tours, and registered programs.
- ✓ Revenues increased by 50%.
- ✓ Visitor numbers increased by 2,500 over 2002.
- ✓ The Museum coordinated the first traveling exhibit from the National Museum of Civilization in Ottawa.
- ✓ The popular 'Brown Bag' lecture program continued before large crowds.
- ✓ The decentralization of some of the collection with loans to the Fintry Dunwater Estate, Kettle Valley Steam Railway, the S.S. Sicamous, and the Osoyoos Desert Centre.

The goals of the Museum Department for 2004 are:

- ➢ To work with the Friends of the Museum Committee and volunteers on programs, promotions, and guidelines for the Museum operations.
- ➢ To submit grant applications and secure summer staff/student positions to work on special projects and programs.
- ➢ To continue interpretation and educational programs in cooperation with the Penticton Indian Band and En'Owkin Cultural Centre.

- To continue working on the collections management program including the photographing of the collections and entering the data into the computerized cataloguing system, along with values for insurance purposes.
- To partner with the South Okanagan Similkameen Conservation Program to develop new exhibits with the natural history collection.
- To provide input to the next phase of the Museum and Library Study.

PENTICTON TRADE AND CONVENTION DEPARTMENT

The Trade and Convention Department functions include conference coordination, site inspection, event marketing, custodial services, sales, food and beverage operations, equipment maintenance and rental, office operation, client services, and event development.

The professional Convention Centre team strives to:

- ✓ Provide, manage, and market British Columbia's largest full service Convention Centre outside of Vancouver.
- ✓ Provide, manage, and market the facility for local community and civic meetings, functions, trade shows and events.

The Penticton Trade & Convention Centre's team of professionals includes a Director of Operations & National / International Sales, two Regional Sales Managers, a Convention & Event Coordinator, a Lead Service Worker, seven Part time Service Workers, a contracted food services, contracted audio-visual services and casual bar service workers. Volunteers provide customer and community information support during major events.

2003 Highlights include:

- ✓ The PT&CC was one of Canada's busiest Convention Centres in 2003.
- ✓ Provided a venue for 23 major, multiple day conventions.
- ✓ Hosted 117,550 out-of-town delegate days.
- ✓ Generated an economic impact in the community of $29 Million.
- ✓ Served a huge number of annual local events, trade shows, and local functions.
- ✓ 287 days of activity in the facility.

Major Improvements continued in 2003 with the completion of Phase 2 renovations and the start of the final phase of improvements.

- ✓ As Canada's first ever dedicated Convention Centre originally constructed in 1965, the past 4 years have seen major improvements to the physical infrastructure.

- ✓ The Mayor and City Council have shown progressive leadership and commitment by investing $5.5 Million in the facility over the past 4 years.
  - ➢ $1.3 Million – Canada / British Columbia Infrastructure Grant
  - ➢ $4.2 Million – Casino Revenues and City Reserves
- ✓ The major renovations and upgrades have made the Penticton Trade & Convention Centre one of Canada's state of the art and technically advanced conference facilities.

The planned goals for the Convention Department for 2004 are:

- ➢ To submit applications to host conventions, trade shows, and special events at the Penticton Trade and Convention Centre which increase the profile of Penticton and provide a positive economic impact to the community.
- ➢ To increase the Penticton Trade and Convention Centre sales contacts at the national, provincial, regional and local levels.
- ➢ To work with all event organizers to ensure successful events and, therefore, positive references for the Penticton Trade and Convention Centre.
- ➢ To create and coordinate a new community event as a fundraiser for the City of Penticton.
- ➢ To implement appropriate recommendations and actions from the PTCC Action Plan.
- ➢ To complete the PTCC Phase 2 building renovations in cooperation with the Facilities and Parks Departments.
- ➢ To complete equipment acquisition and replacement as approved in the 2004 Capital Budget.

It has been an extremely successful year for the Penticton Trade & Convention Centre. The number of future convention, event and trade show commitments to date is an excellent indicator of the health and prosperity of the Convention & Event Industry in our community for decades to come.

Jim Owens, Director of Operations and National/International Sales, PT&CC

EMERGENCY SERVICES

The Department has been delegated the responsibility to coordinate and facilitate the Personal Disaster Assistance and Emergency Social Services functions during times of family and community disasters. These functions provide emergency food, clothing, lodging, pet and animal rescue and services, personal care and services, group lodging, financial assistance, registration and inquiry, family reunification, first aid/medical assistance, and child care.

Over 100 volunteers support the PDA and ESS functions.

Highlights for 2003 include:

- From Personal Disaster Assistance responses to house fires.
- A Spring ESS response to a gas leak and key evacuation of a neighbourhood.
- The activation of an ESS Reception Centre during the summer forest fires. Several thousand people were on one hour evacuation alert, over 30 people were evacuated, and most of those provided services.
- A Fall ESS response during a windstorm that damaged a roof of a model apartment. Thirty people were provided emergency lodging and food.
- Over 100 volunteers participated in some form of orientation or formal training.

The planned goals for 2004 include:

- Provide training sessions for Personal Disaster Assistance, Reception Centre Operations, Group Lodging operations, Personal Services, Pet and Animal Services and Administrative Services.
- Update food and lodging contracts.
- Host a mock disaster training evening.
- Send three senior volunteers to the one week ESSD training course at the Justice Institute of B.C.

ELECTRIC UTILITY DIVISION

The Electric Utility Division designs, installs, operates and maintains the City owned portion of the electrical distribution system within the boundaries of the City of Penticton. It provides electrical service to residential, commercial and industrial customers. All consumption of power is metered and as such the Division provides the metering equipment. To ensure accuracy the Division tests and calibrates meters for verification and sealing to Measurement Canada standards. The management of the Division consists of a newly hired General Manager and the Electrical Supervisor.

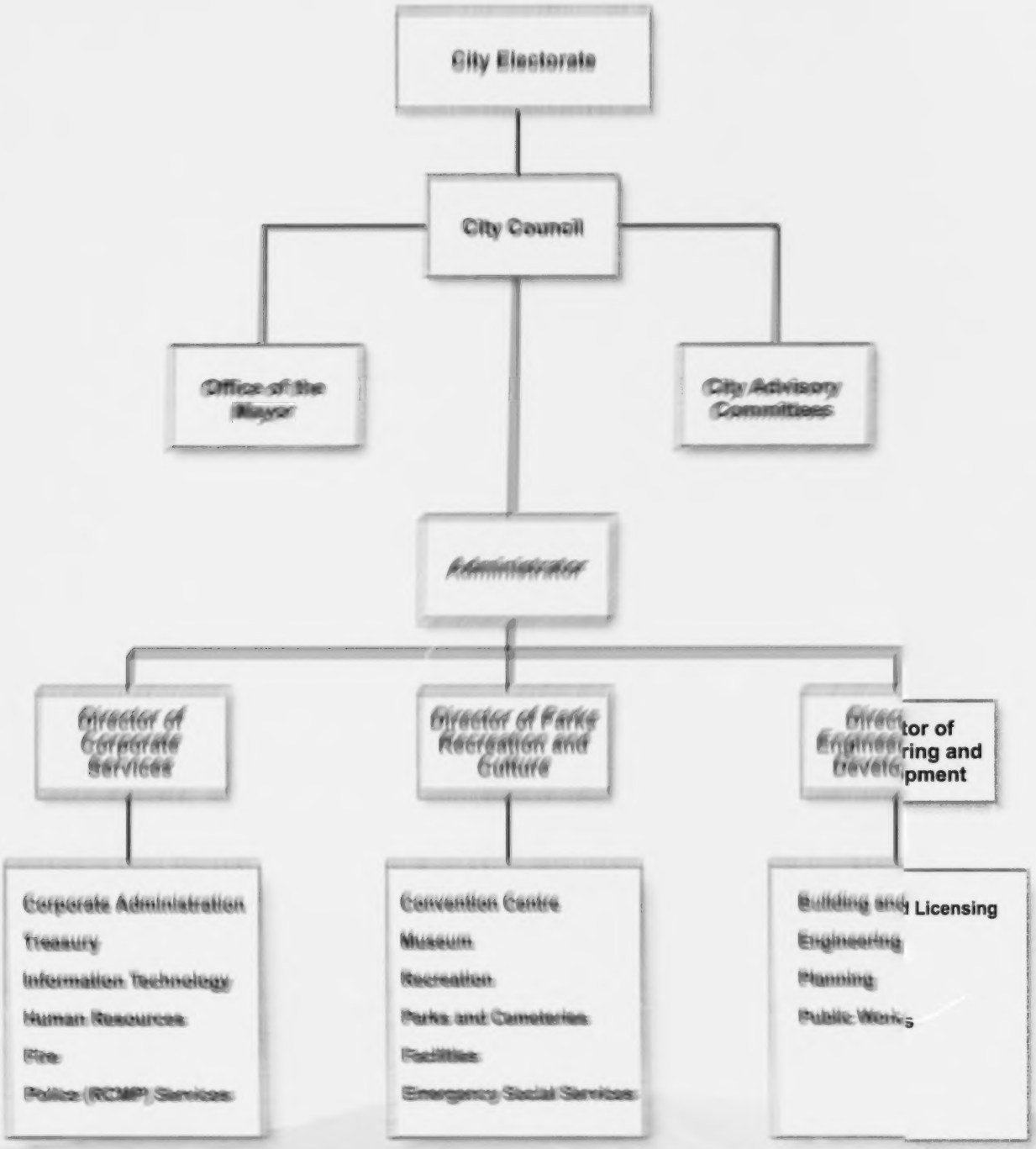
The highlights for 2003 were:

- An increase in the customer use base of 761 meters, an increase of 5.1%
- Completion of the voltage conversion program for all circuits fed from the Waterford Substation. This involves approximately 100 transformer changes and significant line hardware upgrades
- Overhead capital construction involved the installation or replacement of 64 poles and 2.9km of line
- SCADA (supervisory Control and Data Acquisition) software upgrades purchased
- Overall service activity (new services, upgrades and relocations) increased by 100%, over last year
- All power line technicians received WCB required certification training for Live Line Work or High Voltage Rubber Gloving

The planned goals for 2004 are:

- *Negotiating with Creative for the replacement of the Waterford Substation in order to implement the next phase of our voltage conversion program*
- *Staff training for the implementation of new SCADA software*
- *Continue investigation into feasibility of generating power*

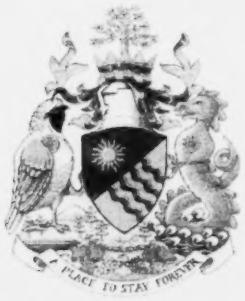
Executive and Functional Organization



The Corporation of the City of Penticton

2003 Financial Statements

THE CITY OF Penticton



THE CORPORATION OF THE CITY OF PENTICTON

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REEVES AND MAYORS

THE CORPORATION OF THE CITY OF PENTICTON
FROM INCORPORATION

REEVES

1909	Alfred H. Wade
1910 – 1911	E. Foley-Bennett
1912	Capt. I.M. Stevens
1913	E. Foley-Bennett
1914 – 1916	Robert Scott Conklin
1917	William Alexander McKenzie
1918 – 1919	Frederick Maurice Smith
1920 – 1923	Edward John Chambers
1924 – 1925	James Kirkpatrick
1926 – 1927	Geo. A.M. Macdonald
1928	James Kirkpatrick
1929 – 1931	Geo. A.B. Macdonald
1931 – 1935	Charles E. Oliver
1936	H.B. Morley
1937 – 1940	W. Gordon Wilkins
1941 – 1942	R.J. McDougall
1943 – 1944	Robert Lyon
1945	R.J. McDougall
1946 – 1947	Robert Lyon

MAYORS

1948 – 1949	Robert Lyon
1950 – 1953	William A. Rathbun
1954 – 1957	C. Oscar Matson
1957 – 1961	Charles E. Oliver
1962 – 1967	Maurice P. Finnerty
1968 – 1971	F.D. Stuart
1972 – 1975	F.W. Laird
1976 - 1979	K.A. Kenyon
1979 – 1980	J.J. Winkelaar
1980 – 1986	I.C. Messmer
1986 – 1990	Dorothy Whittaker
1990 – 1996	G.J. Kimberley
1996 – 1999	Beth Campbell
1999 - 2002	M.L. (Mike) Pearce
2002 -	C. David Perry

DIRECTORY OF COUNCIL AND CITY OFFICIALS - 2003

COUNCIL

MAYOR	C. David Perry
COUNCILLORS	
Dan Ashton	Gus Boersma
Gary Leaman	Rory McIvor
Mary Storry	John Vassilaki

CITY OFFICIALS

Administrator/Clerk	L. den Boer
Director of Corporate Services/Treasurer	J.A. Kler
Collector	M.L. Raymond
Director of Development Services	M. Moroziuk
Director of Parks, Recreation and Culture	B. Reid
Human Resources Manager	G.P.A. Sobool
Fire Chief	M. Lockhart
R.C.M.P. Inspector	D. Fudge

CITY AUDITORS	BDO Dunwoody
CITY SOLICITORS	Davie & Associates
BANKERS	HSBC Bank Canada

April 19, 2004

City Council
The Corporation of the City of Penticton

Your Worship and Members of Council:

Pursuant to Section 167(1) of the *Community Charter*, I am pleased to submit the audited Financial Statements for the year ended December 31, 2003.

The statements were prepared according to accounting principles generally accepted for municipal organizations in British Columbia.

The preparation and presentation of the financial information is the responsibility of the Management of the Corporation. The financial statements have been audited by BDO Dunwoody, Chartered Accountants, who state in their Auditor's report that, in their opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2003 and the results of its operations for the year then ended.

The operations of the Municipality are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity. The funds are as follows:

General Capital Fund
General Operating Fund
Water Utility Capital Fund
Water Utility Operating Fund
Reserve Funds
Sanitary Sewer Utility Capital Fund
Sanitary Sewer Utility Operating Fund
Electric Utility Capital Fund
Electric Utility Operating Fund

The Annual Report includes the financial statements for each entity as well as consolidation statements for all entities. The highlights from these reports are summarized below:

CAPITAL EXPENDITURES

		2003	***2002***
General Fund:			
	Revenue Funds	$2,828,052	$4,698,117
	Reserve Funds	1,277,328	1,220,544
	Provincial Grants	85,989	210,915
	Federal Grants	68,933	-
	Debt Funds	254,050	392,355
	Other Contributions	206,630	627,624
		$4,720,982	**$7,149,555**
Sewer Utility:	Revenue Funds	517,302	$133,854
	Debt Funds	82,532	-
	Other Contributions	7,574	17,423
		$607,408	**$151,277**
Water Utility:	Revenue Funds	791,793	$336,543
	Reserve Funds	356,954	-
	Provincial Grants	(242)	12,946
	Debt Funds	355,743	-
	Other Contributions	207,594	75,249
		$1,711,842	**$424,738**
Electric Utility	Revenue Funds	584,585	$459,540
	Other Contributions	261,378	242,304
		$845,963	**$701,844**
TOTAL CAPITAL EXPENDITURES		**$7,886,195**	**$8,427,414**

Major capital projects included in the above summary are:

General Capital

City-wide Transportation Works	$2,271,321
Information and Technology Works	759,561
Parks - Landscape and Development	443,417
City Parkland Acquisition	269,927
Trade and Convention Centre - Phase 3 Upgrade	211,688
Fire Department Equipment	140,696

Utilities

Sewer Mains	$295,870
Sewer Treatment Plant Works	289,348
Water Distribution System	845,170
Water - Land	338,091
Electric Utility Services	256,325
Electric Utility Line Reconstruction	293,878
Electric Utility Voltage Conversion Program	275,114

Operating Expenditures and Debt Charges

(excludes transfers to other funds, reserves and transmission of taxes:)

		2003	2002
General Revenue Fund:	Operating	$25,946,643	$23,842,789
	Debt	1,385,098	1,087,191
		$27,331,741	**$24,929,980**
Sewer Utility:	Operating	$1,839,691	$1,696,923
	Debt (note*)	343,398	338,075
		$2,183,089	**$2,034,998**
Water Utility:	Operating	$1,950,485	$1,817,096
	Debt	609,316	715,578
		$2,559,801	**$2,532,674**
Electric Utility:	Operating	**$15,550,278**	**$14,379,175**
TOTAL NET OPERATING EXPENDITURES		**$47,624,909**	**$43,876,827**

*Debt Charges recoverable from the Province:

- Sewer	-	$15,386

Financial Statistics

	2003	2002
Real Property Taxes	$16,360,015	$15,332,809
Collection of taxes for other Governments	15,636,193	15,403,786
Long-Term Debt Outstanding	10,348,553	11,841,379
Per Capita Debt – General Purposes	158	189
Per Capita Debt – Utilities	176	193

Investment Earnings
Investment of all excess Revenue and Reserve Funds generated $1,157,363 in 2003 compared to $1,121,401 in 2002. Our portfolio was adjusted to increase our bond holdings that resulted in a better return. The change was made to partially counter the declining interest rate pattern that initially began in 2001 and has continued in 2003.

Surplus
A general revenue fund appropriation of $376,028 was required. This represented a favourable variance of $458,901 for the year as the 2003 annual budget appropriation was $834,929. The balance in accumulated general surplus as at December 31, 2003 is $2,574,024. The surplus can be attributed to various departments operating under their budget provisions.

Sewer System
An appropriation from surplus of $38,384 was required. The budget appropriation was $31,126. The balance in sewer surplus account is $2,061,978.

Water Utility
A surplus of $250,173 was generated which was transferred to the water utility surplus account. Water sales were higher than anticipated and some capital projects were deferred. The balance in water surplus account is $2,308,230.

Electric Utility
The electric utility ended the year with a surplus balance of $5,269,521 as the result of an appropriation from surplus of $555,243. This was due primarily to an increase in the transfer to the General Fund.

Library
The Statement of Revenue and Expenditure for the Penticton Public Library is presented in this report. Library revenue reflects a City grant of $817,709 which includes an allowance of $154,006 for building and administration costs, and $16,698 for capital purposes.

Respectfully submitted,

Jack Kler
Director Corporate Services/Treasurer

BDO
Driving growth

BDO Dunwoody LLP
Chartered Accountants
and Advisors

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Telephone: (250) 492-6020
Telefax: (250) 492-8110

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Summerland BC Canada V0H 1Z0
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www.bdo.ca

AUDITORS' REPORT

To the Mayor and Council
Corporation of the City of Penticton

We have audited the consolidated statement of financial position and balance sheets of the general revenue fund, general capital fund, reserve funds, sewer system utility revenue and capital funds, water system utility revenue and capital funds, electric system utility revenue, capital funds and the cemetery perpetual care trust fund of the Corporation of the City of Penticton as at December 31, 2003 and the consolidated statements of financial activities, equity in capital assets, for; the general revenue fund, sewer system utility revenue fund, water system utility revenue fund and electric system utility revenue fund, reserve fund, cemetery perpetual care trust fund, capital funds, and the consolidated statement of changes in financial position for the year ended December 31, 2003. These financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2003 and the results of its consolidated operations for the year then ended in accordance with the Canadian accounting principles generally accepted for Municipalities.

BDO Dunwoody LLP

Chartered Accountants

Penticton, British Columbia
April 7, 2004

Consolidated Statement of Financial Position

December 31, 2003
(With comparative figures for 2002)

	2003	2002
FINANCIAL ASSETS		
Cash	$ 7,165,596	$ 2,381,100
Term Deposits	26,194,420	27,963,312
Receivables		
Property Taxes	701,438	777,111
Province of B.C.	834,823	322,879
Okanagan Basin Water Board	100,731	105,610
Other Government Agencies	20,937	136,647
Utility Accounts	1,426,275	1,503,091
Accrued Interest	238,948	232,353
Other	1,352,003	1,020,158
Deposit - Municipal Finance Authority	1,341,643	1,320,189
	39,376,814	35,762,450
LIABILITIES		
Payables		
Federal Government	103,067	785,765
Trade Accounts and Accrued Liabilities	6,678,924	5,586,182
Deferred Revenue	2,016,817	1,637,333
Sundry Deposits	1,514,255	1,077,626
Penticton Public Library	57,328	47,297
Reserve - Municipal Finance Authority	1,341,643	1,320,189
Long-term Debt	10,348,553	11,841,379
	22,060,587	22,295,771
Net Financial Assets (Liabilities)	17,316,227	13,466,679
Physical Assets		
Capital Assets	216,903,549	207,658,926
Net Position	$ 234,219,776	$ 221,125,605
Municipal Position		
Equity in Physical Assets	206,554,996	195,817,547
Capital and Operating Fund	15,921,835	13,974,848
Statutory Reserve Funds	11,742,945	11,333,210
	$ 234,219,776	$ 221,125,605

Consolidated Statement of Financial Activities

For the year ended December 31, 2003
(With comparative figures for 2002)

	2003	2003 Budget (Unaudited)	2002
REVENUE			
Taxation - net	$ 16,722,533	$ 16,729,944	$ 15,682,179
Grants in Lieu of Taxes	172,882	172,882	169,790
Sales of Services	34,099,118	33,476,372	31,628,075
Other Revenue from Own Sources	5,159,018	4,093,857	4,392,342
MFA Debt Reserve Refund	-	-	641,421
Transfer from Unexpended Debt Funds	1,211	-	52,355
Contributions from Developers and Others	683,176	233,407	962,600
Unconditional Transfers - Provincial Government	82,396	83,000	84,239
Conditional Transfers - Federal Government	74,540	15,750	7,277
Conditional Transfers - Provincial Government	167,562	60,648	304,313
Conditional Transfers - Regional and Local Governments	228,386	225,529	231,976
	57,390,822	55,091,389	54,156,567
EXPENDITURE			
General Government Services	5,167,829	5,580,401	4,787,232
Protective Services	9,379,349	8,575,166	8,201,434
Transportation Services	2,616,061	2,875,184	2,556,529
Environmental Health Services	5,401,108	4,877,927	5,203,796
Public Health Services	108,440	110,824	107,957
Environmental Development Services	1,993,855	2,841,016	2,011,306
Recreation and Cultural Services	6,065,725	6,151,377	5,703,177
Electric Supply	15,550,278	15,949,006	14,379,175
Bank Charges and Interest	35,978	42,300	27,921
Temporary Borrowings	-	-	127,987
Capital Expenditures	7,886,195	12,195,719	8,427,414
	54,204,818	59,198,920	51,533,928
Net Revenue/(Expenditure)	3,186,004	(4,107,531)	2,622,639
Proceeds from Long Term Debt	-	-	340,000
Debt Principal Repayments	(1,239,017)	-	(973,621)
Increase/(Decrease) in Fund Balances	1,946,987	(4,107,531)	1,989,018
FUND BALANCE, as previously reported	14,154,936	14,154,936	12,112,137
Prior Period Adjustment - Prepaids (Note 7)	(180,088)		(126,307)
FUND BALANCE, BEGINNING OF YEAR as restated	13,974,848		11,985,830
	$ 15,921,835	$ 10,047,405	$ 13,974,848

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Consolidated Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
ASSETS		
CASH	$ 7,165,396	$ 2,381,100
TERM DEPOSITS	26,724,420	26,454,312
RECEIVABLES		
Property Taxes	701,498	777,111
Province of B.C.	834,823	322,879
Okanagan Basin Water Board	100,731	105,610
Regional District Okanagan Similkameen	15,171	105,061
Other Government Agencies	5,766	31,586
Utility Accounts	1,426,275	1,503,091
Other	1,352,003	1,020,158
	4,436,207	3,865,496
MATERIALS AND SUPPLIES	1,901,706	1,965,204
FIXED ASSETS		
Engineering Structures	144,103,971	138,904,797
Buildings	39,687,001	37,783,355
Machinery and Equipment	21,497,829	20,007,024
Land	11,614,748	10,963,750
	216,903,549	207,658,926
OTHER ASSETS		
Trusts and Other Deposits	1,341,643	1,320,189
Municipal Finance Authority	252,528	244,334
Accrued Interest Receivable	176,317	180,088
Prepaid Expenses	1,770,468	1,744,811
	$ 258,901,996	$ 246,089,649

Consolidated Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
LIABILITIES AND SURPLUS		
PAYABLES		
Federal Government	$ 103,867	$ 785,755
Trade Accounts and Accrued Liabilities	6,784,574	5,586,192
	6,887,741	6,371,947
OTHER LIABILITIES		
Deferred Revenue	2,016,817	1,637,333
Sundry Deposits	1,514,255	1,077,626
Penticton Public Library	57,328	47,297
Municipal Finance Authority Debt Reserve Fund		
Cash Requirement	522,462	501,008
Demand Note Requirement	819,181	819,181
	4,930,043	4,082,445
LONG-TERM DEBT		
Debentures Authorized and Issued	10,348,553	11,841,379
EQUITY		
Financial Equity		
Statutory Reserve Funds	11,742,945	11,333,211
Cemetery Trust Fund	564,660	523,028
Surplus & Own Reserves	19,023,465	16,603,124
	31,331,070	28,459,363
Equity in Capital Assets	205,404,569	195,314,515
Total Equity	236,735,639	223,773,878
	$ 258,901,966	$ 246,069,649

Consolidated Statement of Revenues and Expenditures

For the year ended December 31, 2003
(With comparative figures for 2002)

	2003	2003 Budget (Unaudited)	2002
REVENUES			
Taxation	$ 16,729,344	$ 16,734,910	$ 15,682,354
Grants in Lieu of Taxes			
Federal Government	65,088	60,000	61,834
Provincial Government	107,754	102,200	107,956
Sales of Services			
General	8,675,681	7,703,390	7,297,543
Sewer Utility	2,113,687	2,157,000	2,101,648
Water Utility	3,742,509	3,852,395	3,686,252
Electric Utility	19,539,580	19,735,926	18,472,407
Transfer from Unexpended Debt Funds	1,211	-	52,355
Municipal Finance Authority Debt Reserve Fund	29,368	-	641,421
Other Revenue from Own Sources	5,609,204	4,435,979	5,149,467
Other Revenue	646,194	1,520,500	-
Interest Earned	4,645	-	5,134
Contributions from Developers and Others	683,176	233,407	962,601
Unconditional Transfers - Provincial Government	82,396	83,000	84,239
Conditional Transfers - Federal Government	74,540	15,750	7,277
Conditional Transfers - Provincial Government	167,565	60,648	304,313
Conditional Transfers - Regional and Local Governments	228,386	225,529	231,976
Debt Proceeds	-	-	340,000
Collections for Other Governments	15,636,193	15,659,587	15,403,786
	$ 74,137,161	$ 72,580,221	$ 70,592,593
EXPENDITURES			
General Government Services	$ 5,207,564	$ 5,338,009	$ 4,671,819
Protective Services	9,122,699	8,575,166	7,944,784
Transportation Services	2,616,061	2,875,184	2,561,859
Environmental Health Services	4,728,138	4,877,927	4,490,372
Public Health Services	108,440	110,824	107,957
Environmental Development Services	1,960,855	2,168,046	2,011,306
Recreation and Cultural Services	5,824,084	5,853,074	5,550,989
Electric Supply	15,550,278	15,949,006	14,378,175
Fiscal Services			
Bank Charges and Interest	35,978	42,300	27,921
Long-term Debt Charges - Interest	1,098,795	1,113,565	1,060,169
- Principal	1,239,017	1,239,017	973,621
Temporary Borrowings	-	-	127,987
Capital Expenditures	7,886,195	12,195,719	8,427,414
Transfer to Other Governments and Boards	15,643,604	15,659,587	15,403,991
Transfer to/(from) Surplus & Reserves	2,982,453	(3,517,203)	2,863,429
	$ 74,137,161	$ 72,580,221	$ 70,592,593

Consolidated Statement of Changes in Financial Position

For the year ended December 31, 2003
(With comparative figures for 2002)

	2003	2002
Cash flows from (to)		
Operations		
Net increase(decrease) in financial equity	$ 2,571,707	$ 2,704,768
Net increase in equity in capital assets	8,386,216	9,582,378
Decrease(increase) in accounts receivable	(725,288)	(139,066)
Decrease(increase) in taxes and utilities receivable	152,489	255,092
Decrease(increase) in inventory	65,486	(21,541)
Decrease(increase) in prepaid expenses	3,771	(53,781)
Decrease(increase) in investments	(8,194)	206,294
Increase(decrease) in accounts payable	515,794	114,787
Increase(decrease) in refundable deposits	436,629	(109,811)
Increase(decrease) in deferred revenue	389,515	390,605
Net cash from operations	12,368,225	12,929,725
Financing		
Increase in long term debt	-	340,000
Principal repayments on long-term debt	(1,492,826)	(1,534,555)
Decrease in deposits - MFA	21,454	(877,930)
Decrease in MFA cash and demand notes payable	(21,454)	877,930
	(1,492,826)	(1,194,555)
Investments		
Expenditures on capital assets	(7,886,195)	(8,427,414)
Cost of assets disposed and write-down	65,400	115,223
	(7,820,795)	(8,312,191)
Change in cash and short-term investments	3,054,604	3,422,979
Cash and short-term investments, beginning of year	30,835,412	27,412,433
Cash and short-term investments, end of year	$ 33,890,016	$ 30,835,412
Consisting of:		
Restricted cash		
Statutory reserves and deferred revenue	13,207,385	12,583,507
Cemetery Care Trust Fund	530,000	491,000
Utilities	7,668,897	7,649,360
	21,406,282	20,723,867
Current funds	12,483,734	10,111,545
	$ 33,890,016	$ 30,835,412

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Consolidated Statement of Equity in Capital Assets

December 31, 2003
(With comparative figures for 2002)

	2003	2002
BALANCE, BEGINNING OF YEAR	$ 195,314,515	$ 185,732,137
ADD		
Assets Acquired by Transfer		
Federal Government	68,933	-
Provincial Government	85,747	223,861
Development Cost Charges Reserve Fund	398,728	115,908
Capital Reserve Fund	441,804	308,099
Equipment Replacement Reserve Fund	758,759	547,356
Electric Capital Reserve Fund	34,991	249,181
Revenue Funds	4,717,087	5,690,577
Interest Earned	4,645	5,134
Other Contributions	683,176	962,600
Retirement of Long-term Debt	1,239,017	943,379
Actuarial Sinking Fund Requirement	253,809	591,176
Repayment of Loan from Local Improvement Reserve Fund	44,920	60,330
	8,731,616	9,697,601
ADD		
Prior Period Valuation Adjustment (Note 7)	1,423,828	-
DEDUCT		
Assets Written Off	65,400	115,223
BALANCE, END OF YEAR	$ 205,404,559	$ 195,314,515

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Consolidated Statement of Capital Financing

December 31, 2003
(With comparative figures for 2002)

	2003	2002
FINANCES ACQUIRED		
Unexpended Funds at Beginning of Year	$ 149,923	$ 202,278
Federal Government	68,933	-
Provincial Government	85,747	223,861
Debentures issued by MFA	-	340,000
Transfers from		
Development Cost Charges Reserve Fund	398,728	115,908
Capital Reserve Fund	441,804	308,099
Equipment Replacement Reserve Fund	758,759	547,356
Electric Capital Reserve Fund	34,991	249,181
Revenue Funds	4,717,087	5,690,577
Interest Earned	4,645	5,134
Other Contributions	683,176	962,600
Repayment of Loan from		
Local Improvement Reserve Fund	44,920	60,330
Temporary Borrowings and Payables		
At End of Year	1,299,149	652,955
	$ 8,687,862	$ 9,358,279
FINANCES APPLIED		
Temporary Borrowings and Payables		
At Beginning of Year	$ 652,955	$ 780,942
Expenditures for General Fixed Assets	7,886,195	8,427,414
Unexpended Funds at End of Year	148,712	149,923
	$ 8,687,862	$ 9,358,279

Consolidated Statement of Statutory Reserve Fund Operations

December 31, 2003
(With comparative figures for 2002)

	2003	2002
BALANCE, BEGINNING OF YEAR	$ 11,333,211	$ 10,867,845
ADD		
Transfers from		
Revenue Funds	1,971,334	1,649,630
Interest Earned	342,122	344,266
	13,646,667	12,861,741
DEDUCT		
Transfers to		
Revenue Funds	124,520	108,500
Capital Funds	1,779,202	1,420,030
BALANCE, END OF YEAR	$ 11,742,945	$ 11,333,211

Summary of Statutory Reserve Fund Balances

Equipment Replacement		$ 3,199,656	$ 3,058,134
Tax Sale Lands		5,563	5,392
Development Cost Charges	- Roads	159,543	121,295
	- Public Open Space	1,232,417	1,195,905
	- Water Filtration Plant	154,125	62,229
	- Sanitary Sewer	512,498	475,488
	- Storm Sewer	105,923	28,375
	- Gordon Ave Reservoir	19,645	1,585
Capital		1,116,477	955,137
Local Improvement		985,411	940,854
Sewer System Capital		1,273,712	1,234,695
Water System Capital		2,173,516	2,439,850
Electric Capital		746,922	758,497
Off-Site Parking		57,537	55,775
		$ 11,742,945	$ 11,333,211

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
ASSETS		
CASH	$ 7,165,596	$ 2,381,100
TERM DEPOSITS	26,194,420	27,963,312
RECEIVABLES		
Property Taxes	701,438	777,111
Provincial Government	834,823	315,185
Regional District Okanagan Similkameen	15,171	105,061
Other Government Agencies	5,766	31,586
General Capital Fund	124,078	-
Water Capital Fund	601,614	245,871
Other	857,253	796,078
	3,140,143	2,270,892
MATERIALS AND SUPPLIES	321,775	324,575
OTHER ASSETS		
Trusts and Other Deposits		
Municipal Finance Authority	583,063	571,947
Accrued Interest Receivable	238,948	232,353
Prepaid Expenses	176,317	180,088
	998,328	984,388
	$ 37,820,262	$ 33,924,267

	2003	2002
LIABILITIES AND SURPLUS		
PAYABLES		
Other Funds		
Equipment Replacement Reserve Fund	$ 3,199,656	$ 3,058,134
Tax Sale Lands Reserve Fund	5,563	5,392
Development Cost Charges Reserve Fund	2,184,151	1,884,877
Capital Reserve Fund	1,116,477	955,137
Local Improvement Reserve Fund	411,954	533,770
Water Capital Reserve Fund	2,173,516	2,439,850
Sewer Capital Reserve Fund	1,273,712	1,234,695
Electric Capital Reserve	746,922	758,497
Off-Site Parking Reserve Fund	57,537	55,775
Cemetery Perpetual Care Fund	21,080	20,047
	11,190,568	10,946,174
Sewer Utility	2,321,524	2,298,797
Water Utility	2,350,623	2,059,140
Electric Utility	2,848,038	3,141,500
General Capital Fund	148,712	149,923
Federal Government	103,067	785,765
Trade Accounts and Accrued Liabilities	6,784,674	5,586,182
Deferred Revenues	2,016,817	1,637,333
Sundry Deposits	792,208	716,735
Penticton Public Library	57,328	47,297
Municipal Finance Authority Debt Reserve Fund		
Cash Requirement	270,727	259,611
Demand Note Requirement	312,336	312,336
	583,063	571,947
RESERVES FOR FUTURE EXPENDITURES		
Marinas	168,559	150,295
Downtown Revitalization	121,350	159,632
Parking Lot Development	8,824	7,704
Cemetery Land	58,000	33,000
Park & Associated Areas Development	33,996	30,380
Facilities Improvements	13,150	13,150
Other - Capital	1,875,019	693,610
Other - Operating	363,314	159,098
	2,642,212	1,246,869
ASSET VALUATION ALLOWANCES		
Allowance for Doubtful Accounts	45,206	38,206
OTHER RESERVES		
Gaming	1,955,956	475,403
RCMP Services Stabilization	100,000	100,000
Rate Stabilization	200,000	200,000
Investment Income Stabilization	480,351	402,724
Liability Insurance	455,001	405,001
Vehicle Insurance	151,295	147,914
Airport Capital	12,804	12,804
Tax Sale Surplus	6,791	4,501
SURPLUS	2,574,024	2,950,052
	$ 37,820,262	$ 33,924,267

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

Statement of Surplus

December 31, 2003
(With comparative figures for 2002)

	2003	2002
BALANCE, BEGINNING OF YEAR	$ 2,950,052	$ 2,766,829
Transfer from/(to) General Revenue Fund	(376,028)	183,223
BALANCE, END OF YEAR	$ 2,574,024	$ 2,950,052

GENERAL REVENUE FUND

Statement of Revenues and Expenditures

For the year ended December 31, 2003
(With comparative figures for 2002)

	2003 Actual	2003 Budget (Unaudited)	2002
REVENUE			
Taxation			
Real Property	$ 16,184,781	$ 16,199,238	$ 15,118,015
Special Assessments	175,234	167,045	214,794
	16,360,015	16,366,283	15,332,809
Grants in Lieu of Taxes			
Federal Government	65,088	60,000	61,834
Provincial Government	107,794	102,200	107,956
	172,882	162,200	169,790
Sales of Services	8,703,342	7,731,051	7,367,768
Other Revenue from Own Sources	5,244,397	4,093,857	4,778,855
Municipal Finance Authority Debt Reserve Fund	495	-	79,241
Unconditional Transfers - Provincial Government	82,396	83,000	84,239
Conditional Transfers - Federal Government	5,607	15,750	7,277
Conditional Transfers - Provincial Government	81,818	60,648	65,066
Conditional Transfers - Regional and Local Governments	32,959	32,959	31,670
Transfer from Own Reserves	1,641,212	1,996,087	3,721,552
Transfer from Other Funds			
Development Cost Charges Reserve Fund	100,000	100,000	139,158
Electric Utility Revenue Fund	2,091,724	171,441	1,081,070
	17,983,950	14,284,793	17,355,896
Collections for Other Governments			
School District	12,134,420	12,152,121	11,908,418
Regional Hospital District	1,977,478	1,980,587	1,978,621
Municipal Finance Authority	581	583	587
B.C. Assessment Authority	348,782	349,360	359,373
Regional District Okanagan Similkameen	919,609	921,613	866,764
Okanagan Basin Water Board	255,323	255,323	290,023
	15,636,193	15,659,587	15,403,786
	$ 50,153,040	$ 46,472,863	$ 48,262,281

GENERAL REVENUE FUND

Statement of Revenues and Expenditures

For the year ended December 31, 2003
(With comparative figures for 2002)

	2003 Actual	2003 Budget (Unaudited)	2002
EXPENDITURE			
General Government Services	$ 5,207,564	$ 5,338,009	$ 4,671,819
Protective Services	9,122,699	8,575,166	7,944,784
Transportation Services	2,616,061	2,875,184	2,551,659
Environmental Health Services	937,962	996,063	976,354
Public Health Services	108,440	110,824	107,957
Environmental Development Services	1,993,855	2,168,046	2,011,306
Recreation and Cultural Services	5,924,084	5,953,074	5,550,989
	25,910,665	26,016,366	23,814,868
Fiscal Services			
Bank Charges and Interest	35,978	42,300	27,921
Long-term Debt Charges - Interest	425,825	440,595	453,799
- Principal	959,273	959,273	633,392
	1,421,076	1,442,168	1,115,112
Transfer to Own Reserves	4,795,812	1,935,840	3,141,941
Transfer to Other Funds			
Development Cost Charges Reserve Fund	588,582	616,000	525,998
Equipment Replacement Reserve Fund	803,724	753,724	781,164
General Capital Fund	1,039,061	719,070	3,108,071
Local Improvement Reserve Fund	74,767	74,745	87,639
Capital Reserve	232,830	74,292	81,407
Cemetery Perpetual Care Trust Fund	18,947	16,000	18,867
	2,757,911	2,253,831	4,603,146
Transfer to Other Governments and Boards			
School District	12,136,791	12,152,121	11,908,418
Regional Hospital District	1,980,108	1,980,587	1,979,460
Municipal Finance Authority	582	583	587
B.C. Assessment Authority	349,265	349,360	359,281
Regional District Okanagan Similkameen	921,535	921,613	866,222
Okanagan Basin Water Board	255,323	255,323	290,023
	15,643,604	15,659,587	15,403,991
Transfer to/(from) Surplus	(376,028)	(834,929)	183,223
	$ 50,153,040	$ 46,472,863	$ 48,262,281

GENERAL CAPITAL FUND

Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
ASSETS		
RECEIVABLES		
Due from General Revenue	$ 148,712	$ 149,923
FIXED ASSETS		
Engineering Structures	54,226,416	51,754,667
Buildings	33,070,395	31,176,597
Machinery and Equipment	20,590,023	19,189,067
Land	11,076,765	10,763,858
	$ 119,112,311	$ 113,034,112
LIABILITIES AND EQUITY IN CAPITAL ASSETS		
PAYABLES		
General Revenue Fund	$ 124,078	$ -
Loan from Local Improvement Fund	398,053	302,785
LONG-TERM DEBT		
Debentures Authorized and Issued	4,881,251	5,852,924
EQUITY IN CAPITAL ASSETS	113,708,929	106,878,403
	$ 119,112,311	$ 113,034,112

GENERAL CAPITAL FUND

Statement of Equity in Capital Assets

December 31, 2003
(With comparative figures for 2002)

	2003	2002
BALANCE, BEGINNING OF YEAR	$ 106,878,403	$ 99,556,795
ADD		
Assets Acquired by Transfer		
Federal Government	68,933	-
Provincial Government	85,989	210,915
Development Cost Charges Reserve Fund	379,865	115,908
Capital Reserve Fund	103,713	308,099
Equipment Replacement Reserve Fund	758,759	547,356
Electric Capital Reserve Fund	34,991	249,181
Sewer Utility	-	205,020
Water Utility	-	205,020
Electric Utility	1,784,346	1,214,030
General Revenue Fund	1,039,061	3,108,071
Interest Earned	4,645	5,134
Other Contributions	206,630	627,624
Retirement of Long-term Debt	959,273	603,150
Actuarial Sinking Fund Requirement	12,400	6,048
Repayment of Loan from Local Improvement Reserve Fund	33,493	31,275
	5,472,098	7,436,831
ADD		
Prior Period Valuation Adjustment (Note 7)	1,423,828	-
DEDUCT		
Assets Written Off	65,400	115,223
BALANCE, END OF YEAR	$ 113,708,929	$ 106,878,403

GENERAL CAPITAL FUND

Statement of Capital Financing

December 31, 2003
(With comparative figures for 2002)

	2003	2002
FINANCES ACQUIRED		
Unexpended Funds at Beginning of Year	$ 149,923	$ 202,278
Federal Government	68,933	-
Provincial Government	85,989	210,915
Debentures issued by MFA	-	340,000
Transfers from		
Development Cost Charges Reserve Fund	379,865	115,908
Capital Reserve Fund	103,713	308,099
Equipment Replacement Reserve Fund	758,759	547,356
Electric Capital Reserve Fund	34,991	249,181
Sewer Utility	-	205,020
Water Utility	-	205,020
Electric Utility	1,784,346	1,214,030
General Revenue Fund	1,039,061	3,108,071
Interest Earned	4,645	5,134
Other Contributions	206,630	627,624
Repayment of Loan from		
Local Improvement Reserve Fund	33,493	31,275
Temporary Borrowings and Payables		
At End of Year	522,131	302,785
	$ 5,172,479	$ 7,672,696
FINANCES APPLIED		
Temporary Borrowings and Payables		
At Beginning of Year	$ 302,785	$ 373,218
Expenditures for General Fixed Assets	4,720,982	7,149,555
Unexpended Funds at End of Year	148,712	149,923
	$ 5,172,479	$ 7,672,696

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

RESERVE FUNDS

Balance Sheet

December 31, 2003
(With comparative figures for 2002)

		2003	2002
ASSETS			
RECEIVABLES			
General Revenue Fund		$ 11,169,488	$ 10,926,127
General Capital Fund		398,053	302,785
Sewer Capital Fund		175,404	104,299
		$ 11,742,945	$ 11,333,211
LIABILITIES AND FUND BALANCES			
FUND BALANCES			
Equipment Replacement		$ 3,199,656	$ 3,058,134
Tax Sale Lands		5,563	5,392
Development Cost Charges	- Roads	159,543	121,295
	- Public Open Space	1,232,417	1,195,905
	- Water Mains/Filtration Plant	154,125	62,229
	- Sanitary Sewer	512,498	475,488
	- Storm Sewer	105,923	28,375
	- Gordon Ave Reservoir	19,645	1,585
Capital		1,116,477	955,137
Local Improvement		985,411	940,854
Sewer System Capital		1,273,712	1,234,695
Water System Capital		2,173,516	2,439,850
Electric Capital		746,922	758,497
Off-Site Parking		57,537	55,775
		$ 11,742,945	$ 11,333,211

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

RESERVE FUNDS

Statement of Changes in Fund Balance:

December 31, 2003
(With comparative figures for 2002)

	Equipment Replacement	Tax Sale Lands	Capital	Development Cost Charges	Local Improvement	Sewer Capital	Water Capital	Electric Capital	Off-Street Parking	2003 Total	2002 Total
BALANCE, BEGINNING OF YEAR	$ 3,058,134	$ 5,392	$ 955,137	$ 1,884,877	$ 940,854	$ 1,234,695	$ 2,439,850	$ 758,497	$ 55,775	$ 11,333,211	$ 10,867,845
ADD											
Transfers from											
General Revenue Fund	803,724	-	232,830	588,582	74,767	-	-	-	-	1,699,903	1,476,207
Sewer Utility Revenue Fund	-	-	-	21,669	-	-	-	-	-	21,669	17,374
Water Utility Revenue Fund	-	-	-	249,762	-	-	-	-	-	249,762	156,049
Interest Earned	96,557	171	32,223	62,509	14,710	39,017	71,757	23,416	1,762	342,122	344,266
	3,958,415	5,563	1,220,190	2,807,399	1,030,331	1,273,712	2,511,607	781,913	57,537	13,646,667	12,861,741
DEDUCT											
Transfers to											
General Capital Fund	758,759	-	103,713	479,865	33,493	-	-	34,991	-	1,410,821	1,251,819
Sewer Capital Fund	-	-	-	-	11,427	-	-	-	-	11,427	29,054
Water Capital Fund	-	-	-	18,863	-	-	338,091	-	-	356,954	-
Water Utility Revenue Fund	-	-	-	124,520	-	-	-	-	-	124,520	108,500
General Revenue Fund	-	-	-	-	-	-	-	-	-	-	139,157
BALANCE, END OF YEAR	$ 3,199,656	$ 5,563	$ 1,116,477	$2,184,151	$985,411	$1,273,712	$2,173,516	$746,922	$57,537	$11,742,945	$11,333,211

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SEWER SYSTEM UTILITY
Revenue Fund

Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
ASSETS		
RECEIVABLES		
Provincial Government	$ -	$ 7,694
Okanagan Basin Water Board	100,731	105,610
General Revenue Fund	2,321,524	2,298,797
Other	25,986	16,705
MATERIALS AND SUPPLIES	13,741	12,652
TRUSTS AND OTHER DEPOSITS		
Municipal Finance Authority	394,564	388,551
	$ 2,856,546	$ 2,830,009
LIABILITIES AND SURPLUS		
DEPOSITS	$ 50,708	$ 16,040
MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND		
Cash Requirement	146,117	140,104
Demand Note Requirement	248,447	248,447
RESERVE FOR FUTURE EXPENDITURES	349,296	325,056
SURPLUS		
Balance at beginning of year	2,100,362	1,365,745
Transfer from/(to) Sewer Revenue	(38,384)	734,617
Balance at end of year	2,061,978	2,100,362
	$ 2,856,546	$ 2,830,009

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SEWER SYSTEM UTILITY
Revenue Fund

Statement of Revenues and Expenditures

For the year ended December 31, 2003
(With comparative figures for 2002)

	2003 Actual	2003 Budget (Unaudited)	2002
REVENUE			
Sewer Levy	$ 369,929	$ 368,627	$ 349,575
Sewer Fixture Charges	2,020,261	1,997,000	1,999,463
Sewer Connections and Recoveries	71,757	145,000	84,812
Provincial Government Conditional Grant	-	-	15,386
Okanagan Basin Water Board Conditional Grant	195,427	192,570	200,306
Municipal Finance Authority Debt Reserve Refund	28,873	-	562,180
Development Cost Charges	21,669	15,000	17,374
Transfer from Own Reserve - Future Expenditures	315,760	315,760	212,526
TOTAL REVENUE	$ 3,023,676	$ 3,033,957	$ 3,441,622
EXPENDITURE			
Administration	$ 348,254	$ 350,318	$ 310,592
Sewage Collection Systems	292,064	241,000	229,027
Lift Station, Operation & Maintenance	35,361	53,824	39,551
Sewage Treatment and Disposal	1,164,012	1,162,284	1,117,714
Other	-	5,000	39
Long-term Debt Charges			
Interest	231,500	231,500	211,056
Principal	111,898	111,897	127,019
Contributions to Capital Fund	517,302	894,260	133,853
Transfer to Development Cost Charges Reserve	21,669	15,000	17,374
Transfer to General Capital Fund	-	-	205,020
Transfer to Own Reserve - Future Expenditures	340,000	-	315,760
Transfer to/(from) Surplus	(38,384)	(31,126)	734,617
TOTAL EXPENDITURE	$ 3,023,676	$ 3,033,957	$ 3,441,622

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SEWER SYSTEM UTILITY
Capital Fund

Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
ASSETS		
FIXED ASSETS		
Engineering Structures	$ 29,616,799	$ 29,020,196
Buildings	4,828,895	4,828,895
Machinery and Equipment	274,862	264,057
Land	137,521	137,521
	$ 34,858,077	$ 34,250,669
LIABILITIES AND EQUITY IN CAPITAL ASSETS		
PAYABLES		
Loan from Local Improvement Fund	$ 175,404	$ 104,299
LONG-TERM DEBT		
Debentures Authorized and Issued	1,575,393	1,857,736
EQUITY IN CAPITAL ASSETS	33,107,280	32,288,634
	$ 34,858,077	$ 34,250,669

SEWER SYSTEM UTILITY
Capital Fund

Statement of Equity in Capital Assets

December 31, 2003
(With comparative figures for 2002)

	2003	2002
BALANCE, BEGINNING OF YEAR	$ 32,288,634	$ 31,525,017
ADD		
Utility Revenue Fund	517,302	133,853
Other Contributions	7,574	17,423
Retirement of Long-term Debt	111,898	127,019
Actuarial Sinking Fund Requirement	170,445	456,267
Repayment of Loan from Local Improvement Reserve Fund	11,427	29,055
	818,646	763,617
BALANCE, END OF YEAR	$ 33,107,280	$ 32,288,634

SEWER SYSTEM UTILITY

Statement of Capital Financing

December 31, 2003
(With comparative figures for 2002)

	2003	2002
FINANCES ACQUIRED		
Transfers from		
Utility Revenue Fund	517,302	133,853
Other Contributions	7,574	17,423
Repayment of Loan from		
Local Improvement Reserve Fund	11,427	29,055
Temporary Borrowings and Payables		
at End of Year	175,404	104,299
	$ 711,707	$ 284,630
FINANCES APPLIED		
Temporary Borrowings and Payables		
at Beginning of Year	$ 104,299	$ 133,353
Expenditure for Fixed Assets	607,408	151,277
	$ 711,707	$ 284,630

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

WATER SYSTEM UTILITY
Revenue Fund

Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
ASSETS		
RECEIVABLES		
General Revenue Fund	$ 2,350,623	$ 2,059,140
Utility Rates	215,653	227,267
Other	209,518	65,055
MATERIALS AND SUPPLIES	97,517	151,185
TRUSTS AND OTHER DEPOSITS		
Municipal Finance Authority	364,016	359,691
	$ 3,237,327	$ 2,862,338
LIABILITIES AND SURPLUS		
PAYABLES		
Deposits	$ 272,781	$ 167,790
MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND		
Cash Requirement	105,618	101,293
Demand Note Requirement	258,398	258,398
RESERVE FOR FUTURE EXPENDITURES	292,300	276,800
SURPLUS		
Balance at beginning of year	2,058,057	1,497,681
Transfer from/(to) Water Revenue	250,173	560,376
Balance at end of year	2,308,230	2,058,057
	$ 3,237,327	$ 2,862,338

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

WATER SYSTEM UTILITY
Revenue Fund

Statement of Revenues and Expenditures

For the year ended December 31, 2003
(With comparative figures for 2002)

	2003 Actual	2003 Budget (Unaudited)	2002
REVENUE			
Water Rates	$ 3,417,533	$ 3,272,895	$ 3,381,547
Recoveries - Connections, Service & Other	75,214	424,500	42,096
Municipal Finance Authority Debt Reserve Refund	-	-	106,559
Development Cost Charges	249,762	155,000	156,049
Transfer from Own Reserve - Future Expenditures	276,800	276,800	301,211
Transfer from Development Cost Charges Reserve Fund	124,520	144,210	108,500
TOTAL REVENUE	$ 4,143,829	$ 4,273,405	$ 4,095,962
EXPENDITURE			
Administration	$ 348,120	$ 386,750	$ 375,048
Purification and Treatment	633,598	730,000	605,204
Transmission and Distribution	548,432	539,088	435,549
Pumping	291,021	270,000	268,448
Customer Billing and Collection	113,880	117,600	109,153
Other	15,434	26,000	23,694
Long-term Debt Charges			
Interest	441,470	441,470	502,368
Principal	167,846	167,847	213,210
Contributions to Capital Fund	791,793	1,595,526	365,043
Transfer to Development Cost Charges Reserve	249,762	155,000	156,049
Transfer to General Capital Fund	-	-	205,020
Transfer to Own Reserve - Future Expenditures	292,300	-	276,800
Transfer to/(from) Surplus	250,173	(155,876)	560,376
TOTAL EXPENDITURE	$ 4,143,829	$ 4,273,405	$ 4,095,962

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

WATER SYSTEM UTILITY
Capital Fund

Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
ASSETS		
FIXED ASSETS		
Engineering Structures	$ 42,762,406	$ 41,456,900
Buildings	54,711	54,711
Machinery and Equipment	247,517	179,272
Land	338,566	475
	$ 43,403,200	$ 41,691,358
LIABILITIES AND EQUITY IN CAPITAL ASSETS		
PAYABLES		
Due to General Revenue Fund	$ 601,614	$ 245,871
LONG-TERM DEBT		
Debentures Authorized and Issued	3,891,909	4,130,719
EQUITY IN CAPITAL ASSETS	38,909,677	37,314,768
	$ 43,403,200	$ 41,691,358

WATER SYSTEM UTILITY
Capital Fund

Statement of Equity in Capital Assets

December 31, 2003
(With comparative figures for 2002)

	2003	2002
BALANCE, BEGINNING OF YEAR	$ 37,314,768	$ 36,519,459
ADD		
Provincial Government	(242)	12,946
Development Cost Charges Reserve Fund	18,863	-
Utility Capital Reserve Fund	338,091	-
Utility Revenue Fund	791,793	365,043
Other Contributions	207,594	75,249
Retirement of Long-term Debt	167,846	213,210
Actuarial Sinking Fund Requirement	70,964	128,861
	1,594,909	795,309
BALANCE, END OF YEAR	$ 38,909,677	$ 37,314,768

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

WATER SYSTEM UTILITY

Statement of Capital Financing

December 31, 2003
(With comparative figures for 2002)

	2003	2002
FINANCES ACQUIRED		
Transfers from		
Provincial Government	$ (242)	$ 12,946
Development Cost Charges Reserve Fund	18,863	-
Utility Capital Reserve Fund	338,091	-
Utility Revenue Fund	791,793	365,043
Other Contributions	207,594	75,249
Temporary Borrowings and Payables at End of Year	601,614	245,871
	$ 1,957,713	$ 699,109
FINANCES APPLIED		
Temporary Borrowings and Payables at Beginning of Year	$ 245,871	$ 274,371
Expenditure for Fixed Assets	1,711,842	424,738
	$ 1,957,713	$ 699,109

ELECTRIC SYSTEM UTILITY
Revenue Fund

Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
ASSETS		
RECEIVABLES		
General Revenue Fund	$ 2,848,038	$ 3,141,500
Utility Rates	1,210,622	1,275,824
Other	259,246	142,320
MATERIALS AND SUPPLIES	1,468,673	1,476,792
	$ 5,786,579	$ 6,036,436
LIABILITIES AND SURPLUS		
PAYABLES		
Deposits	$ 398,558	$ 177,062
RESERVE FOR FUTURE EXPENDITURES	118,500	34,610
SURPLUS		
Balance at beginning of year	5,824,764	4,520,782
Transfer from/(to) Electric Revenue	(555,243)	1,303,982
Balance at end of year	5,269,521	5,824,764
	$ 5,786,579	$ 6,036,436

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

ELECTRIC SYSTEM UTILITY
Revenue Fund

Statement of Revenues and Expenditures

For the year ended December 31, 2003
(With comparative figures for 2002)

	2003 Actual	2003 Budget (Unaudited)	2002
REVENUE			
Rates	$ 19,075,052	$ 19,197,441	$ 18,059,807
Recoveries - Connections & Other	464,528	538,485	412,600
Transfer from Own Reserve - Future Expenditures	34,610	34,610	-
TOTAL REVENUE	$ 19,574,190	$ 19,770,536	$ 18,472,407
EXPENDITURE			
Administration	$ 1,427,547	$ 1,608,613	$ 1,359,408
Electrical Energy Purchased for Resale	13,334,875	13,690,560	12,494,649
Transmission and Distribution	448,971	307,000	219,301
Customer Billing and Collection	278,094	280,833	261,127
Other	60,791	62,000	44,690
Transfer to Own Reserve - Future Expenditures	118,500	-	34,610
Contributions to Capital Fund	584,585	1,017,110	459,540
Transfer to General Revenue Fund	2,091,724	171,441	1,081,070
Transfer to General Capital Fund	1,784,346	3,366,541	1,214,030
Transfer to/(from) Surplus	(555,243)	(733,562)	1,303,982
TOTAL EXPENDITURE	$ 19,574,190	$ 19,770,536	$ 18,472,407

ELECTRIC SYSTEM UTILITY
Capital Fund

Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
ASSETS		
FIXED ASSETS		
Engineering Structures	$ 17,498,350	$ 16,673,034
Buildings	1,733,000	1,723,152
Machinery and Equipment	385,427	374,628
Land	61,896	61,896
	$ 19,678,673	$ 18,832,710
LIABILITIES AND EQUITY IN CAPITAL ASSETS		
EQUITY IN CAPITAL ASSETS	$ 19,678,673	$ 18,832,710
	$ 19,678,673	$ 18,832,710

ELECTRIC SYSTEM UTILITY
Capital Fund

Statement of Equity in Capital Assets

December 31, 2003
(With comparative figures for 2002)

	2003	2002
BALANCE, BEGINNING OF YEAR	$ 18,832,710	$ 18,130,866
ADD		
Utility Revenue Fund	584,585	459,540
Other Contributions	261,378	242,304
	845,963	701,844
BALANCE, END OF YEAR	$ 19,678,673	$ 18,832,710

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

ELECTRIC SYSTEM UTILITY

Statement of Capital Financing

December 31, 2003
(With comparative figures for 2002)

	2003	2002
FINANCES ACQUIRED		
Transfers from		
Utility Revenue Fund	$ 584,585	$ 459,540
Other Contributions	261,378	242,304
	$ 845,963	$ 701,844
FINANCES APPLIED		
Expenditure for Fixed Assets	$ 845,963	$ 701,844
	$ 845,963	$ 701,844

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

CEMETERY PERPETUAL CARE TRUST FUND

Balance Sheet

December 31, 2003
(With comparative figures for 2002)

	2003	2002
ASSETS		
BANK TERM DEPOSITS	$ 530,000	$ 491,000
RECEIVABLES		
General Revenue Fund	21,080	20,047
ACCRUED INTEREST	13,580	11,981
	$ 564,660	$ 523,028
SURPLUS		
BALANCE, BEGINNING OF YEAR	$ 523,028	$ 477,815
Add:		
Care Fund Contributions	18,947	18,867
Interest Earned	22,685	26,346
	$ 564,660	$ 523,028

Notes to Financial Statements
December 31, 2003

1. ACCOUNTING POLICIES

(a) The municipality reports its activities on the fund accounting basis as followed by British Columbia municipalities;
(b) In accordance with accounting and reporting requirements of the Ministry of Municipal Affairs, depreciation is no longer recorded;
(c) The Consolidated Statements include all General, Capital and Utility Funds of the Municipality, including the Cemetery Perpetual Trust Care Fund;
(d) All fund bank accounts are consolidated in the General Revenue Fund;
(e) Inventories of materials and supplies are valued on a moving average basis;
(f) Capital assets are recorded at cost;
(g) Certain 2002 figures have been reclassified in order to be consistent with the account presentation of 2003.
(h) Short-term investments consist of bonds, investment certificates and call loans that are recorded at the lower of cost and fair market value.

2. DEBENTURE DEBT

Debentures unmatured and outstanding under Bylaws #3859, aggregating $482,610 (2002 - $680,913) are stated in United States funds. In accordance with generally accepted accounting principles for governmental reporting, no conversion to Canadian funds for these debentures has been made.

Principal payments due on the current debt are forecasted as follows:

2004	$926,422
2005	957,616
2006	708,420
2007	488,721
2008	543,427
Thereafter	6,723,947
	$10,348,553

3. PENSION LIABILITY

The municipality and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusteed pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 123,000 active contributors including approximately 28,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2000 indicated a funding surplus of $436 million for basic pension benefits. The next valuation will be as at December 31, 2003 with results available in 2004. The Joint Trust Agreement specifies how surplus assets can be used. The actuary does not attribute portions of the surplus to individual employers. The City of Penticton paid $833,944 for employer contributions to the plan in fiscal 2003.

4. CONTINGENT LIABILITIES

(a) Under Section 836 of the *Local Government Act*, all monies borrowed by a Regional District, shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. At December 31, 2003, the long-term debt of the Regional District of Okanagan-Similkameen aggregated $26,363,589 (2002 - $27,333,762).

(b) As at December 31, 2003, certain other legal actions are pending against the Municipality, the outcome of which cannot be determined at this time. As it is not possible to determine the outcome of these proceedings, no provision for any potential liability has been recorded in the accounts.

5. LETTERS OF CREDIT

In addition to the performance deposits reflected in the Balance Sheet, the City is holding irrevocable Letters of Credit in the amount of $2,194,863 which were received from depositors to ensure their performance of works to be undertaken within the city. These amounts are not reflected in the financial statements but are available to satisfy liabilities arising from non-performance by the depositors.

6. REPORT BY OBJECT

	2003	2002
Payroll	$14,632,860	$13,766,436
Inventory	877,448	666,387

7. PRIOR PERIOD ADJUSTMENTS

The S.S. Sicamous is an historical vessel that is owned by the City of Penticton. The care and custody of this asset on behalf of the City is done by the S.S. Sicamous Restoration Society. The Society receives grant funds annually from the City, raises its own revenues and applies for grants from other government agencies. Over the past 13 years, the Society has made significant capital improvements to the vessel. The prior period adjustment recognizes the accumulated value of these improvements at $1,423,828. The capital assets and equity were increased, but this amount was not reflected in the activity statement.

In the current year, the City has removed prepaids from the consolidated net financial position. As a result, the prior year income has been reduced by $53,781 and an adjustment to opening equity was recorded for $126,307 for prior period prepaid amounts. No adjustment was made to the income statement for this amount. The current year adjustment to opening fund balance has been adjusted by $180,088 to remove the prior year's prepaid amount.

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

DETAILS OF REVENUE **Schedule 1-1**

December 31, 2003
(With comparative figures for 2002)

	2003 Actual	2003 Budget (Unaudited)	2002
SALES OF SERVICE			
General Government Services			
Administration - General	$ 227,062	$ 374,006	$ 225,475
Administration - Utilities	1,520,813	1,520,792	1,443,310
Equipment Usage/Labour Load Rates	753,724	753,724	772,846
	2,501,599	2,648,522	2,441,631
Protective Services			
Fire Protection Fees	566,400	571,398	541,929
Fire Department Recoveries	875,149	62,112	63,183
Prisoner Expense Recoveries	242,725	106,659	225,362
R.C.M.P. Recoveries	45,996	44,604	54,775
	1,730,270	784,773	885,249
Transportation Services			
Transit System	481,801	448,500	451,701
Parking Meter Fees	134,761	115,000	107,478
Engineering Recoveries	43,799	22,500	14,919
Public Works Recoveries	53,936	85,600	44,864
	714,297	671,600	618,962
Environmental Health and Services			
Garbage Collection Rates	610,230	617,000	609,954
Recycling Recoveries	399,070	414,200	432,598
	1,009,300	1,031,200	1,042,552
Public Health and Welfare Services			
Cemetery	153,467	170,450	147,428
Cemetery Care Fund Contributions	18,947	16,000	18,867
	172,414	186,450	166,295
Environmental Development Services			
Convention Centre Rental & Services	503,860	483,500	502,731

GENERAL REVENUE FUND

DETAILS OF REVENUE **Schedule 1-2**

December 31, 2003
(With comparative figures for 2002)

	2003 Actual	2003 Budget (Unaudited)	2002
Recreational and Cultural Services			
Community Centre	841,163	687,400	652,502
Okanagan Lake Marina	17,801	19,950	17,071
Skaha Lake Marina	12,000	12,000	12,000
Edmonton Ave/Arts Centre	22,759	23,000	22,757
Memorial Arena	264,821	235,600	233,333
McLaren Arena	200,114	200,400	200,662
Parks Leases & School Facilities	99,734	112,506	108,534
Parks Work Orders Recoveries	6,179	6,000	6,179
Museum Sales/Donations	18,449	12,150	13,484
	1,483,020	1,309,006	1,266,522
Other Revenue			
Development Cost Charges	588,582	616,000	443,826
	$ 8,703,342	$ 7,731,051	$ 7,367,768
OTHER REVENUE FROM OWN SOURCES			
Licences and Permits			
Business Licence Fees	$ 438,765	$ 430,000	$ 426,820
File Search / Covenant Registration	2,226	1,700	2,103
Commercial Vehicle Licence Fees	7,927	11,000	9,404
Building Permits	453,618	213,500	352,082
Plumbing Permits	31,536	15,200	32,816
Dog Licences and Violations	46,485	44,000	48,089
	980,557	715,400	871,314
Traffic & Municipal Fines	95,742	60,000	58,707
Building Rentals & Leases	310,428	292,337	291,320
Franchise	359,909	412,000	413,788
Gaming Proceeds	2,020,348	1,700,000	1,830,601
Investment Income	805,427	480,000	769,610
Penalties and Interest on Taxes	137,417	167,000	136,994
Land Sale Proceeds and Right of Way Contributions	160,500	-	106,726
Miscellaneous	374,069	267,120	299,795
	$ 5,244,397	$ 4,093,857	$ 4,778,855
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS			
Provincial Government			
Revenue Sharing - Traffic Fines	$ 82,396	$ 83,000	$ 84,239
	$ 82,396	$ 83,000	$ 84,239

GENERAL REVENUE FUND

DETAILS OF REVENUE **Schedule 1-3**

December 31, 2003
(With comparative figures for 2002)

	2003 Actual	2003 Budget (Unaudited)	2002
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS			
Federal Government			
Other - JEPP, Crime Prevention	$ 2,684	$ 15,000	$ 4,680
Other - RRAP Agency Fees, etc.	2,923	750	2,597
Provincial Government			
Emergency Measures Program	-	2,000	1,696
Cultural Services - Museum Grant	6,150	6,150	6,150
Nights Alive Program	7,544	-	7,544
Victim Services Program	52,500	52,498	37,308
Various Grants - Other	15,624	-	12,368
	$ 87,425	$ 76,398	$ 72,343
CONDITIONAL TRANSFERS FROM REGIONAL AND LOCAL GOVERNMENTS AND BOARDS			
Regional District Okanagan Similkameen			
Community Centre Grant	$ 20,000	$ 20,000	$ 20,000
Retirement Centre Grant	6,000	6,000	6,000
Victim Services Grant	6,959	6,959	5,670
	$ 32,959	$ 32,959	$ 31,670
TRANSFER FROM OWN RESERVES			
Marinas	$ 11,538	$ 70,746	$ -
Investment Income Stabilization	250,000	230,000	275,000
Special Events Site	-	10,000	3,346
Reserve for Future Expenditures	648,709	613,709	859,559
Facilities Improvements	-	-	95,272
Public Art	888	-	52,477
Downtown Revitalization	188,282	309,632	37,356
Downtown Parking	2,000	2,000	-
Other-Trail	-	-	30,000
Gaming	539,795	760,000	2,368,542
	$ 1,641,212	$ 1,996,087	$ 3,721,552

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

GENERAL REVENUE FUND

DETAILS OF EXPENDITURE **Schedule 2-1**

December 31, 2003
(With comparative figures for 2002)

	2003 Actual	2003 Budget (Unaudited)	2002
GENERAL GOVERNMENT SERVICES			
Legislative	$ 215,698	$ 218,100	$ 198,445
General Administration	3,777,710	3,659,365	3,307,255
Civic Grants	440,849	416,622	460,055
Information Technology Services	773,307	1,043,922	706,064
	$ 5,207,564	$ 5,338,009	$ 4,671,819
PROTECTIVE SERVICES			
Police Protection	$ 4,855,285	$ 5,037,750	$ 4,578,985
Fire Protection	3,854,721	3,096,946	2,984,830
Emergency Measures	5,616	5,600	4,398
Animal Control	80,341	90,883	78,154
Building and Licence Inspections	326,736	343,987	298,417
	$ 9,122,699	$ 8,575,166	$ 7,944,784
TRANSPORTATION SERVICES			
Common Services	$ 200,239	$ 349,012	$ 187,090
Road Transport	1,742,938	1,839,672	1,739,703
Transit System	672,884	686,500	624,866
	$ 2,616,061	$ 2,875,184	$ 2,551,659
ENVIRONMENTAL HEALTH SERVICES			
Garbage and Waste Collection/Disposal	$ 937,962	$ 996,063	$ 976,354
PUBLIC HEALTH SERVICES			
Cemetery	$ 108,440	$ 110,824	$ 107,957
ENVIRONMENTAL DEVELOPMENT SERVICES			
Planning & Zoning	$ 477,404	$ 865,957	$ 533,898
Economic Development	148,822	148,822	148,723
Community Development	100,484	92,300	106,929
Convention Centre	939,004	736,582	915,549
Tourism	328,141	324,385	306,207
	$ 1,993,855	$ 2,168,046	$ 2,011,306

GENERAL REVENUE FUND

DETAILS OF EXPENDITURE **Schedule 2-2**

December 31, 2003
(With comparative figures for 2002)

	2003 Actual	2003 Budget (Unaudited)	2002
RECREATION AND CULTURAL SERVICES			
Recreation Programs	$ 1,793,140	$ 1,739,599	$ 1,611,849
Community Centre and Halls	669,027	608,819	627,322
Beaches and Marinas	210,767	176,991	190,424
Arenas	766,304	720,384	746,727
Parks, Playgrounds, Misc Facilities	1,444,473	1,625,542	1,339,481
Cultural Facilities			
Museum and Arts Centre	222,664	264,030	237,751
Penticton Public Library	817,709	817,709	797,435
	$ 5,924,084	$ 5,953,074	$ 5,550,989
TRANSFER TO OWN RESERVES			
Gaming	$ 2,020,348	$ 1,700,000	$ 1,830,601
Parking Lots	3,120	3,120	3,120
Public Art	2,104	20,770	23,438
Special Events Site	2,400	-	-
Marinas	29,801	31,950	29,071
Cemetery Lands	25,000	25,000	25,000
Vehicle Insurance	5,000	5,000	5,000
Downtown Revitalization	150,000	150,000	150,000
Future Expenditures - Capital	1,886,488	-	505,302
Future Expenditures - Operating	159,098	-	159,098
Liability Insurance	50,000	-	50,000
Equipment/Benefits Rate Stabilization	134,825	-	-
Public Works Improvements	-	-	21,701
Investment Income Stabilization	327,628	-	339,610
	$ 4,795,812	$ 1,935,840	$ 3,141,941

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SCHEDULE OF FIXED ASSETS

Schedule 3-1

December 31, 2003

	Assets at Cost 12/31/02	Net Additions	Assets at Cost 12/31/03
GENERAL FIXED ASSETS			
General Government			
City Hall	$ 1,369,894	$ 17,090	$ 1,386,984
Office Equipment	1,117,249	47,503	1,164,752
Data Processing Equipment	2,575,341	759,561	3,334,902
	5,062,484	824,154	5,886,638
Protection of Persons and Property			
Fire Hall - Building	1,244,506		1,244,506
- Equipment	3,475,551	140,696	3,616,247
R.C.M.P. - Building	4,632,759	5,856	4,638,615
- Equipment	209,151	1,020	210,171
Civil Defense	32,853		32,853
Dog Pound	10,245		10,245
	9,605,065	147,572	9,752,637
Transportation Services			
Equipment - Vehicles	3,838,445	108,027	3,946,472
- Machinery	2,464,003	(1,820)	2,462,183
- Warehouse	346,641	18,640	365,281
- Garage	207,169	11,373	218,542
Yards and Buildings	1,724,151	2,145	1,726,296
Bridges and Culverts	419,683	86,830	506,513
Sidewalks, Curbs/Gutters	5,658,272	392,969	6,051,241
Footpaths and Walkways	683,898	21,219	705,117
Boulevard and Cablestrips	630,016	28,193	658,209
Bus Shelters	11,269		11,269
Parking Meters	213,331	108,800	322,131
Parking Areas	1,010,489	35,835	1,046,324
Traffic Control Equipment	833,358	16,318	849,676
Street Lighting	1,922,927	41,610	1,964,537
Creek Improvements	382,319		382,319
Streets and Lanes	13,942,197	758,910	14,701,107
Secondary Hwys and Collectors	9,293,126	211,389	9,504,515
Street and Traffic Signs	110,517		110,517
Grading and Drainage	9,810,541	430,883	10,241,424
	$ 53,502,352	$ 2,271,321	$ 55,773,673

SCHEDULE OF FIXED ASSETS

Schedule 3-2

December 31, 2003

	Assets at Cost 12/31/02	Net Additions	Assets at Cost 12/31/03
GENERAL FIXED ASSETS			
Sanitation and Waste Removal			
Landfill Sites	$ 143,573		$ 143,573
Garbage Containers	18,658		18,658
	162,231	-	162,231
Leisure Services			
Okanagan Lake Marina	673,698	4,853	678,551
Skaha Marina	384,270		384,270
Centennial Fountain	35,000		35,000
S.S. Sicamous	192,190	1,423,828	1,616,018
Buildings - Library/Museum	1,525,594	18,806	1,544,400
- Jubilee Pavilion	77,742		77,742
- Kings Park	219,499		219,499
- McLaren Arena	756,725	33,216	789,941
- Memorial Arena	3,067,419	23,845	3,091,264
- Convention Centre	7,099,208	211,668	7,310,876
- Nanaimo Hall	43,435	18,433	61,868
- Community Centre	6,538,679	33,859	6,572,538
- Edmonton Ave Centre	27,320		27,320
Parks and Playgrounds	1,347,762		1,347,762
Parks and Recreation Development	6,074,152	443,417	6,517,569
Parks Tools and Equipment	1,130,211	131,862	1,262,073
Park Lighting	11,685		11,685
Special Events Site	420,448		420,448
Wine & Information Centre	664,450		664,450
Curling Centre	102,286	3,376	105,662
Equipment - Memorial Arena	344,588		344,588
- McLaren Arena	188,708	1,147	189,855
- Museum	193,464	12,519	205,983
- Convention Centre	752,924	56,011	808,935
- Arts Centre	93,259	38,978	132,237
- Community Centre	65,660	5,955	71,615
- Recreation	460,725	36,470	497,195
- Library	690,078	16,698	706,776
	33,181,179	2,514,941	35,696,120
Miscellaneous			
Cemetery	607,020	8,514	615,534
TOTAL FIXED ASSETS (Excluding Land)	$ 102,120,331	$ 5,766,502	$ 107,886,83

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

SCHEDULE OF FIXED ASSETS

Schedule 3-3

December 31, 2003

	Assets at Cost 12/31/02	Net Additions	Assets at Cost 12/31/03
LAND			
City Hall	$ 482,878		$ 482,878
Fire Halls	171,121		171,121
RCMP	723,791		723,791
City Yards	47,299		47,299
Streets and Lanes	1,769,262	42,981	1,812,243
Landfill Sites	50,000		50,000
Parks and Playgrounds	6,287,118	269,927	6,557,045
Memorial Arena	2,727		2,727
Cemetery	128,949		128,949
School Sites	21,832		21,832
Other Properties	1,078,881		1,078,881
	10,763,858	312,908	11,076,766
TOTAL GENERAL FIXED ASSETS	$ 112,884,189	$ 6,079,410	$ 118,963,599

SCHEDULE OF FIXED ASSETS **Schedule 3-4**

December 31, 2003

	Assets at Cost 12/31/02	Assets Acquired	Assets at Cost 12/31/03
UTILITIES			
Water System - Irrigation			
Dams and Intakes	$ 1,074,155	$ 38,215	$ 1,112,370
Pipelines	2,225,045		2,225,045
	3,299,200	38,215	3,337,415
Water System - Domestic			
Distribution System	15,904,072	845,170	16,749,242
Water Treatment System	20,297,744	19,487	20,317,231
Pumping Equipment and Buildings	2,189,867	470,879	2,660,746
	38,391,683	1,335,536	39,727,219
Land	475	338,091	338,566
	$ 41,691,358	$ 1,711,842	$ 43,403,200
Electric System			
Distribution System	$ 17,047,662	$ 836,115	$ 17,883,777
Substations	1,723,152	9,848	1,733,000
	18,770,814	845,963	19,616,777
Land - Substation Sites	61,896		61,896
	$ 18,832,710	$ 845,963	$ 19,678,673
Sewer System			
Mains	$ 8,376,560	$ 295,870	$ 8,672,430
Connections	1,390,627	11,385	1,402,012
Treatment Plant	24,081,904	289,348	24,371,252
Machinery and Equipment	264,057	10,805	274,862
	34,113,148	607,408	34,720,556
Land - Treatment Plant Site	137,521		137,521
	$ 34,250,669	$ 607,408	$ 34,858,077
TOTAL UTILITIES	$ 94,774,737	$ 3,165,213	$ 97,939,950

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Debt Issued and Outstanding

Schedule 4-1

December 31, 2003

Number	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate	Payee	2004 Payments Interest	2004 Payments Principal
8858	08-May-89	Okanagan Lake Pump Stn	350,000	142,550	20	2009	10.90	R.D.O.S.	19,670	10,585
9504	12-Apr-95	Water Treatment Plant	1,000,000	711,210	20	2015	8.5	R.D.O.S.	88,800	30,243
9542	01-Dec-95	Water Treatment Plant	3,000,000	2,133,631	20	2015	7.75	R.D.O.S.	240,000	90,728
9608	01-Jun-96	Water Treatment Plant	1,200,000	904,518	20	2016	7.25	R.D.O.S.	93,000	36,291
			5,550,000	3,891,909					441,470	167,847
4167	15-May-84	Sewer System	500,000	-	20	2004	No further cash payments required		-	-
8903	09-Nov-89	Sewer - Treatment Plant	2,500,000	1,018,217	20	2009	6.5	R.D.O.S.	162,500	75,606
8962	15-May-90	Sewer - Treatment Plant	1,200,000	557,176	20	2010	6.5	R.D.O.S.	69,000	36,291
			4,200,000	1,575,393					231,500	111,897
3859*	01-Dec-80	Community Centre	2,032,632	482,610	25	2005	7.75	R.D.O.S.	117,607	225,708
20005	12-Apr-00	RCMP Building	2,500,000	2,261,651	20	2020	6.45	R.D.O.S.	161,250	75,606
20046	07-Nov-00	RCMP Building	1,500,000	1,356,990	20	2020	6.36	R.D.O.S.	95,400	45,364
200123	21-Dec-01	Government Street	1,380,000	780,000	5	2006	Variable	M.F.A.	30,000	300,000
			7,412,632	4,881,251					404,257	646,678
	Total Debt		$ 17,162,632	$ 10,348,553					$ 1,077,227	$ 926,422

* Stated in U.S. Dollars

Outstanding Amount as at December 31, 2003	
U.S. Debt	$ 482,610
Canadian Equivalent	651,524
Exchange Difference	$ 168,914

GOVERNMENT GRANTS

Schedule 5

December 31, 2003
(With comparative figures for 2002)

	2003	2002
FEDERAL GRANTS		
In Lieu of Taxes	$ 65,088	$ 61,834
Canada Assistance Grant	2,684	4,680
Government Programs	71,856	2,597
	139,628	69,111
PROVINCIAL GOVERNMENT		
Revenue Sharing - Traffic Fines	82,396	84,239
In Lieu of Taxes	107,794	107,956
Victim Services Program	52,500	37,308
Kid's Zone Program	10,312	-
Nights Alive Youth Program	7,544	7,544
Cultural Services - Museum	6,150	6,150
Various Grants - General Operating	5,312	14,065
Various Grants - General Capital	85,989	210,915
Home-Owner Assistance Grant	5,035,099	4,946,641
Emergency Measures Program	-	1,696
Sewer Utility Grants	-	15,386
Water Utility Grants	(242)	12,946
Okanagan Basin Water Board Grant	195,427	200,306
	5,588,281	5,645,152
REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN		
Community Centre Grant	20,000	20,000
Penticton & District Retirement Centre	6,000	6,000
Victiim Services Grant	5,640	5,640
	31,640	31,640
	$ 5,759,549	$ 5,745,903

PENTICTON PUBLIC LIBRARY

(Established under the Provisions of the
Public Libraries Act of British Columbia)

STATEMENT OF REVENUE AND EXPENDITURE

December 31, 2003
(With comparative figures for 2002)

	2003	2002
REVENUE		
Grant City of Penticton		
- Operating	$ 624,929	$ 622,990
- Building and Administration	154,006	153,035
- Equipment Depreciation	22,076	17,088
- Capital	16,698	4,322
Grant Province of B.C. - Operating	83,756	78,062
Grant - Outlook/Legal Services Society	2,326	2,141
Grant - Youth @ BC	4,330	8,560
Okanagan Regional Library Contract	52,800	55,770
Interest Earned	2,939	2,321
Fines and Fees	27,604	26,125
Miscellaneous Revenue	12,944	16,324
Photocopy Revenue	3,375	3,341
Donations	2,604	1,055
Legacy/Estate Funds	855	1,571
Equipment Replacement Fund	16,363	38,156
	1,027,605	1,030,861
Surplus at Beginning of Year	47,297	52,472
Total Revenue	1,074,902	1,083,333
EXPENDITURE		
Building and Administration	154,007	153,035
Equipment Allowance	22,076	17,088
Acquisitions - Books	147,381	143,615
- Periodicals	15,077	20,633
- Software	6,508	5,636
- Videos/Audio/Online Subscriptions	5,794	8,181
Book Binding	4,066	3,950
Equipment Maintenance	26,264	18,196
Office Supplies	30,850	32,182
Postage, Freight, Courier, Mileage	3,257	5,355
Salaries and Benefits	571,610	568,690
Staff/Trustee Training and Development	5,130	3,955
Telephone/Fax/Internet	7,935	6,792
Program Support	197	203
Legacy/Estate Projects	724	6,047
Total Operating Expenditure	1,000,876	993,558
Capital Equipment	16,698	42,478
Total Expenditure	1,017,574	1,036,036
SURPLUS AT END OF YEAR	$ 57,328	$ 47,297

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Financial Statistics
(Unaudited)

	1994*	1995*	1996**	1997**	1998**	1999**	2000**	2001***	2002***	2003***
Population	27,258	27,258	30,987	30,987	30,987	30,987	30,987	30,985	30,985	30,985
Assessed Values - General										
Land	929,990,673	1,019,499,773	1,018,854,562	1,012,811,459	1,040,610,909	1,033,714,732	995,628,640	999,082,549	1,000,376,974	1,022,385,901
Land Exempt	115,573,104	136,200,788	133,761,705	123,682,126	149,736,660	150,917,460	142,114,754	141,266,606	140,756,657	148,912,016
Taxable Land	814,417,569	883,298,985	885,092,857	889,129,333	890,874,249	882,797,272	853,513,886	857,815,943	859,620,317	873,473,885
Improvements	1,175,059,656	1,271,255,056	1,292,112,550	1,316,138,957	1,323,537,812	1,320,489,436	1,337,405,103	1,344,556,402	1,391,386,900	1,490,127,901
Improvements Exempt	142,807,889	178,613,156	184,779,178	203,523,095	190,320,833	183,669,582	192,252,631	192,570,333	197,516,990	202,748,963
Taxable Improvements	1,032,251,767	1,092,641,900	1,107,333,372	1,112,615,862	1,133,216,979	1,136,619,854	1,145,152,472	1,151,986,069	1,193,869,910	1,287,378,938
Total Taxable Assessment	1,846,669,336	1,975,940,885	1,992,426,229	2,001,745,195	2,024,091,228	2,019,417,126	1,998,666,358	2,009,802,012	2,053,490,227	2,160,852,823
Per Capita	67,748	72,490	64,299	64,600	65,321	65,170	64,500	64,864	66,274	69,739
Assessment Actually Taxed										
General Purposes	1,826,369,336	1,955,028,885	1,990,775,229	1,978,674,195	2,001,292,228	1,996,437,126	1,975,032,758	1,986,275,412	2,030,243,827	2,137,700,023
School Purposes	1,841,856,386	1,971,049,885	1,987,042,829	1,996,464,495	2,018,139,812	2,013,650,310	1,998,666,358	2,004,177,143	2,047,566,849	2,154,719,592
% Improvement Taxes	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Tax Levy										
General and Debt	10,597,303	11,228,346	11,652,354	12,027,944	12,598,784	12,830,351	13,390,448	14,140,577	14,882,630	15,926,729
School	10,657,072	11,001,205	11,164,085	11,297,397	11,436,496	11,648,997	11,630,813	11,671,618	11,913,141	12,152,121
Regional Hospital	813,278	774,538	776,646	797,707	902,325	917,656	962,087	1,982,487	1,979,438	1,980,515
Other (Excluding Irrigation)	4,586,010	4,726,729	4,833,946	4,593,328	4,789,742	4,852,941	5,012,389	5,102,716	4,995,324	5,008,308
Total Tax Levy	26,653,663	27,730,818	28,427,031	28,716,376	29,727,347	30,249,945	30,995,737	32,897,398	33,770,533	35,067,673
Total Levy (Including Irrigation)	26,794,696	27,871,700	28,567,946	28,856,371	29,867,421	30,390,103	31,136,579	33,037,202	33,910,115	35,206,896
Per Capita	983	1,023	922	931	964	981	1,005	1,066	1,094	1,136
General Mill Rate	5.313/7.97	5.244/7.866	5.384/8.076	5.529/8.294	5.706/8.559	5.805/8.708	6.128/9.192	6.436/9.654	6.6295/9.9443	6.753/10.1295
Tax Collection										
Current Taxes and Irrigation	26,259,995	27,140,558	27,960,965	28,255,700	29,329,134	29,771,871	30,565,077	32,588,106	33,353,856	34,685,099
% Current Levy Collected	98.0%	97.4%	97.9%	97.9%	98.2%	98.0%	98.2%	98.6%	98.4%	98.5%
Arrears and Delinquent	316,568	511,652	811,531	600,954	732,150	716,637	687,640	412,751	748,867	598,402
Total Taxes Collected	26,576,563	27,652,210	28,772,496	28,856,654	30,061,284	30,488,508	31,252,717	33,000,857	34,102,723	35,283,501
% of Current Levy	99.2%	99.2%	100.7%	100.0%	100.6%	100.3%	100.4%	99.9%	100.6%	100.2%
Arrears of Taxes	641,701	255,378	174,989	257,298	240,410	263,097	250,136	505,580	205,809	178,225
Per Capita	23.54	9.37	5.65	8.30	7.76	8.49	8.07	16.32	6.64	5.75
Debt										
Gross Debt	9,393,436	12,513,424	12,868,942	11,937,294	11,042,545	9,994,490	13,926,419	13,035,934	11,841,379	10,348,553
Per Capita	345	459	415	385	356	323	449	421	382	334
Analysis of Debt (Gross)										
Water Supply System	1,381,620	5,178,116	6,127,482	5,828,024	5,513,594	5,183,443	4,836,783	4,472,790	4,130,719	3,891,909
Sewer System	5,979,928	5,452,691	5,010,812	4,272,089	4,058,625	3,545,947	3,007,196	2,441,022	1,857,736	1,575,393
General	2,031,888	1,882,617	1,730,648	1,562,382	1,470,326	1,265,100	6,082,440	6,122,122	5,852,924	4,881,251

* 1991 Census ** 1996 Census ***2001 Census

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Financial Statistics
(Unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Public Utilities										
Sewer										
Operating Profit/(Loss)	136,056	136,466	(340,837)	(60,064)	(52,404)	98,945	144,617	182,196	(47,480)	(38,384)
Domestic Water & Irrigation										
Operating Profit/(Loss)	-	-	-	(3,490)	570,491	631,749	(551,858)	408,648	407,987	250,173
Electric Light										
Operating Profit/(Loss)	2,496,832	1,955,092	1,955,013	2,175,190	2,769,318	3,016,523	3,087,867	3,363,493	3,422,494	3,320,827
General										
Building Permits Issued	40,146,357	38,725,960	41,530,318	23,157,321	33,196,718	22,619,600	18,796,519	31,093,176	35,928,297	46,681,982
Borrowing Power (net)	40,116,954	51,488,080	58,612,482	61,786,435	70,561,779	71,721,589	72,711,489	79,586,210	79,000,000*	80,000,000*

*estimated